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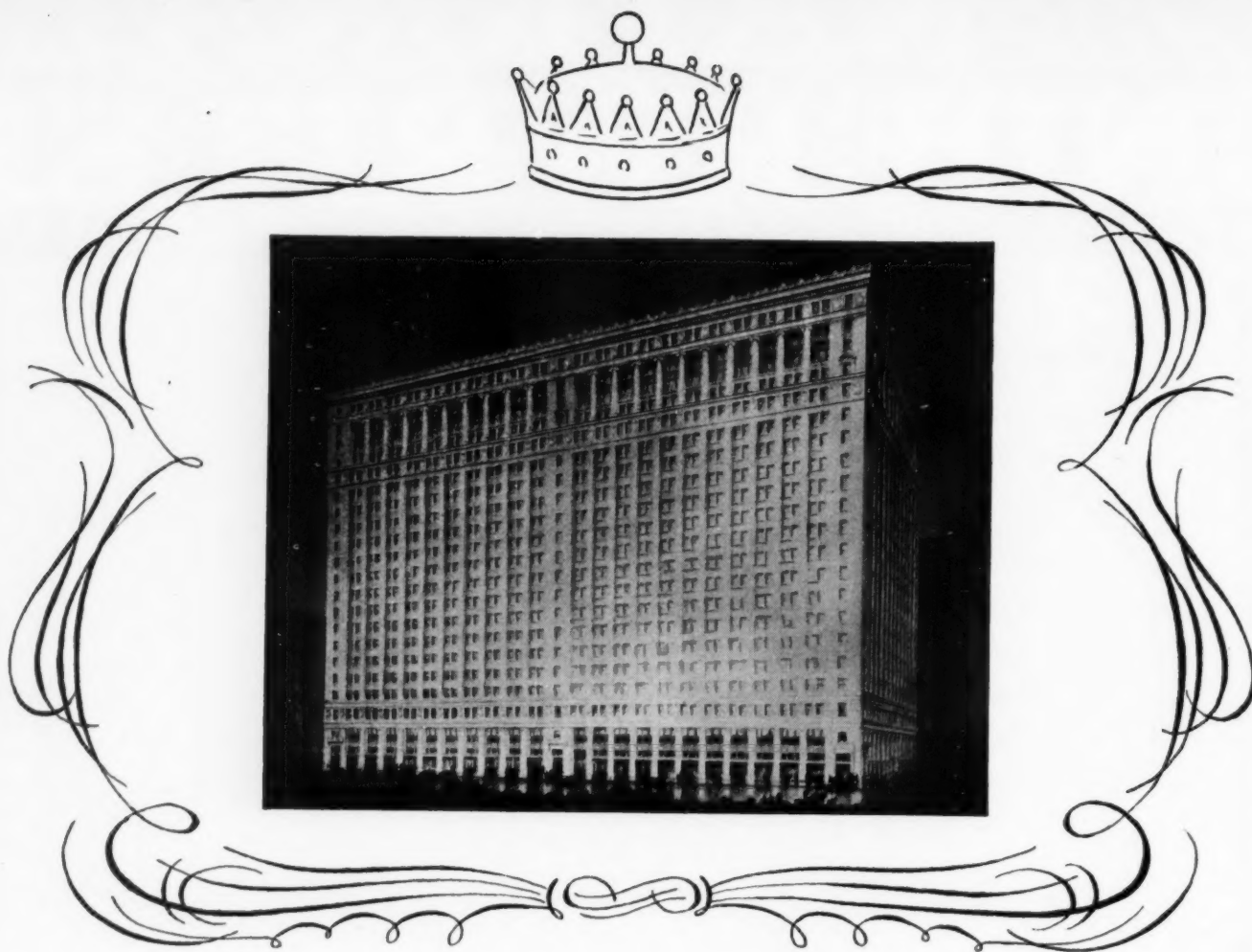
THE PREFERRED ACCIDENT INSURANCE COMPANY

HOME OFFICE, 80 MAIDEN LANE, NEW YORK, N. Y.

EDWIN B. ACKERMAN, *President*

AUTO ACCIDENT BURGLARY PLATE GLASS LIABILITY

THURSDAY, JULY 31, 1941



The Insurance Capitol of the Middle West

One of the important factors in the development and centralization of the insurance business in Chicago has been the *Insurance Exchange Building*, the greatest building of its type in the country and one of the outstanding office buildings of all types in the world.

The address, *175 West Jackson Boulevard, Chicago*, is well known throughout the country by almost every person connected with the insurance fraternity. Hence, it is rightly the Insurance Capitol of the middle-west. The Insurance Exchange houses the offices that write 90 percent of the fire and casualty insurance premiums produced in Chicago and Cook County. Let us show you how you can get your share of this business by locating in the *Insurance Exchange*.

R. C. SWANSON, Manager

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The NATIONAL UNDERWRITER

Forty-fifth Year—No. 31

CHICAGO, CINCINNATI, NEW YORK AND SAN FRANCISCO, THURSDAY, JULY 31, 1941

\$4.00 Year, 20 Cents a Copy

Upper Peninsula Agents Elect Old at Annual Parley

U. S. Senator Brown Named Vice-president—Forbes and Cox Speak

John P. Old, Jr., Sault Ste. Marie, was elected president of the Upper Peninsula Association of Insurance Agents at the annual meeting at Ironwood, Bessemer and Wakefield, Mich., with the Gogebic County Association of Insurance Agents as host. U. S. Senator M. Prentiss Brown, St. Ignace, was elected vice-president; Raymond Doud, Mackinac Island, secretary and John R. Goudreau, St. Ignace, treasurer.

The 1942 convention was awarded to Mackinac Island and a resolution was adopted urging that the state convention be held there at the same time.

A resolution was adopted endorsing Guy M. Cox, Iron River, for state president. He is now vice-president and has served two terms as Upper Peninsula association president, three terms as Iron County association president and has been a member of the state governing committee for the past six years.

Executive Committeemen Named

H. W. King, Calumet, was elected executive committeeman from district 15; Fred Roper, Menominee, district 14, and Verne Floria, Munising, district 13.

Association activities were reviewed by Guy M. Cox, vice-president Michigan association. He particularly stressed the educational program. Importance of fire prevention work in view of the national defense program was stressed by Mr. Cox, especially since serious mine fires in the upper peninsula would mean a serious shortage of steel. He concluded his talk with a patriotic note emphasizing the vital importance of insurance agents' work.

The advantages of association membership were stressed by David A. Forbes, Grand Rapids, president Michigan association. He emphasized the value of guarantee of ownership of expirations, the agents' qualification act, legislative service, educational facilities of the association. He urged upper peninsula agents to have a good representation at the annual meeting in Grand Rapids, Sept. 11-12 as a testimonial to Guy M. Cox who is slated to be elected president.

Would Elevate Standards

Elevation of agency service standards through educational programs and application of the agents' qualifications law was commended by Frank M. Cordero, deputy insurance commissioner, at the closing banquet.

Although it is not the Michigan department's intention to discriminate in the approval of applicants for licenses,

(CONTINUED ON PAGE 7)

Reporting Forms Extended in Mo.

Other States Expected to Follow; Change Fire Service Clause

The Missouri Inspection Bureau has advised agents in that state that single state reporting forms 1 and A can now be applied to stocks and merchandise in manufacturing buildings. Heretofore insurers have required regular coverage, the reporting form not being permitted. Other middle western states likely will follow in adopting the reporting form for this type of exposure.

The Southeastern Underwriters Association has recommended the change in all of its states.

The new single state rule was not unexpected since the Interstate Underwriters Board made this coverage available under reporting form No. 1. For some time the reporting coverage has been available under forms 2 and B, which are used for seasonal risks such as canning factories. Forms 1 and 2 apply to risks developing minimum premiums of \$300 or more and are written at an average rate. Forms A and B apply to small risks developing a premium of \$100 or more and use specific rates for each location.

The I. U. B. follows state rules on forms A and B, so interstate form A will be permitted to cover at manufacturing locations in states where this is allowed on single state forms. Previously forms 1 and A, both interstate and single state, excluded merchandise and stock in any manufacturing building owned or controlled by assured, except for a few specifically approved classes.

About two years ago rules were relaxed to permit application of the forms to property in detached warehouses and manufacturing plants. Now the restriction has been completely abrogated.

The Missouri Inspection Bureau also has modified the fire department service clause in the fire policy to restrict use of it to individuals owning property in tenth class towns, such property having to be located outside the corporate limits of the city. This is the same change that was made in Ohio some time ago, and is expected to be made in other states. Tenth class towns are those which have no fire department protection regularly and for which consequently no tax burden is imposed upon residents. Such communities, many of them with substantial homes, have made arrangements with the fire departments of nearby towns to respond to fire alarms on a "per run" basis; that is, the home owner pays the fire department \$50, \$100 to compensate the department for the run. It is this per run cost which the companies have permitted the property owner to insure at a very nominal rate though only in connection with the property insurance. The coverage, which is considered by companies strictly as a "privilege protection," has in some cases been abused by agents and assured.

The Missouri Inspection Bureau also announced that coal and wood yards now are eligible for term insurance. An increasing list of risks is being permitted use of term coverage.

Backlisted Firms Large, Influential

Play Big Role in S. A. Politics, Economics; More Suspect

Of the seven South American insurance companies named on the government's blacklist, five are of major size, controlling important blocks of investments and wielding considerable influence in the political as well as the economic life of their respective countries. If, as many in touch with the situation aver, there are at least a dozen others of similar importance which should have been included, the evidence of the extent of axis insurance control is extensive.

Aseguradora Argentina, of Buenos Aires, is an Italian controlled company and is an affiliate of the Italian company, Riunione Adriatica di Sicurtà. It has an Italian general manager and is staffed largely by Italians and Argentines of Italian descent. It writes a substantial volume of fire and casualty, including hail, automobile and plate glass.

El Fenix Sudamericano, Buenos Aires, is controlled by Argentines of German descent. The concern was established in 1920 and writes reinsurance only on fire, casualty, marine and life.

Controlled by Germans

Germano-Argentina, of Buenos Aires, controlled by German nationals, is writing fire, casualty and life. The president, vice-president and general manager bear German names.

General of Italy, Rio de Janeiro, Brazil, is controlled by Italians and staffed by Italian nationals and Brazilians of Italian or German descent. The Brazilian general manager bears a German name and his two assistants Italian. The company, established in 1921, writes fire, casualty, marine and life.

La Italia de Valparaiso, Chile, is also Italian owned. The president, vice-president, general manager, and a good portion of the staff are either Italian nationals or naturalized Italians.

Camouflage Identities

These companies were all obviously pro-axis. There are a number less obvious which the state department is said to have under suspicion. Some concerns, long expecting some sort of a black list, dug themselves in with local partners and in-laws to present a front. Observers say that the blacklisted outfits and those under suspicion have been noticeably undercutting rates offered by domestic companies and British and American subsidiaries in South America. At first this was thought to be a result of natural shrewdness and willingness to take chances, but of late it is becoming increasingly evident that these companies have been subsidized by axis money in order to gain information about and control over Latin American economics. It is not the big insurance interests alone that are suspect, but also many smaller companies and agencies throughout the continent.

The extent to which blacklisted insurance firms and prospective blacklisted have assets and credits in the

Effect of Latest Freezing Order Hits Two Jap Units

Liquidation of General of Italy; New Form for General, France, Assets

NEW YORK—The freezing of Japanese and Chinese assets in the U. S. by President Roosevelt last week will affect Tokio Marine & Fire and Sumitomo Marine & Fire, the only two Japanese companies now operating in this country.

The war had other repercussions this week on foreign insurers in the U. S. Authority to take over and liquidate the U. S. branch of General of Italy was granted the New York insurance department by the state supreme court.

Preliminary organization of General Security Assurance of New York was completed and a license to operate will be granted shortly by the New York department. This is the corporate entity created to take over the U. S. interests of General of France.

As of Dec. 31, 1940, Tokio had assets of \$10,368,578. Sumitomo, also of Tokio, which entered U. S. in 1920 as the Fusio Marine & Fire, had \$766,900 of assets at the end of last year.

Tokio Out of Fire Field

Tokio discontinued its fire business in this country on Sept. 30, 1940, when the business was reinsured in Standard of New York. Since then it has confined its writings to ocean and inland marine. On retirement from the fire field the company secured the release of some \$2,500,000 of its funds from the New York department.

Meiji Fire, controlled by the Tokio, wrote business for nine years in the U. S. until last year when it reinsured in Standard of New York and retired from business in this country.

Standard of New York, which Tokio organized in 1922, and Standard Surety & Casualty, which it organized in 1928, were purchased by Aetna Fire in June, this year.

Tokio was the largest of the Japanese companies. It entered the U. S. in 1911 with Appleton & Cox as marine managers. In 1918 it qualified to write fire and allied lines, with Johnson & Higgins as U. S. managers for these lines. In 1939 it wrote \$2,645,961 in premiums.

(CONTINUED ON PAGE 7)

U. S. to be frozen by the presidential order, is undetermined but it is not thought they will lose much on this score. In addition to an amplification of the South American blacklist, a world-wide blacklist has been hinted by the state department which will undoubtedly involve other insurance interests.

N. Y. Department to Appeal Decision in Reciprocal Case

NEW YORK—The insurance department has indicated it will appeal the decision of the appellate division of the state supreme court in the case of the Warner reciprocals, Chicago, against Superintendent Pink.

The decision held that the reciprocals, since they consummate contracts in Chicago and not in New York state, and since they have no agents or represents in the state with power to bind the reciprocals, are not "doing business" in the state. Consequently New York does not have the power to regulate the reciprocals' business, and the applicable statutes are invalid.

The decision may, the department believes, exert a considerable effect on its supervisory powers, hence the appeal.

While the New York court's opinion is regarded as significant by insurance men, it does not put forward a new legal doctrine. There have been several other cases in both life and fire insurance in which the courts have held that the state in which assured was located did not have control over the insurer, on the same basis as in the present case, that the insurer completed the contract elsewhere.

Sections of the New York law covered in this case, which is styled Hoopeston Canning Co. and others vs. Pink and others, are all in Article XII which governs reciprocals and Lloyds underwriters.

Pink Approves Plan of Loan to Britain

Rights of policyholders are not impaired or adversely affected by the loan agreement recently announced between the British government and the Reconstruction Finance Corporation in which part of the collateral security consists of shares of British-owned American fire, marine and casualty insurance companies, Superintendent Pink of New York announced.

In the case of the United States insurance companies which are British-owned there will be paid over to the Federal Reserve Bank in New York for account of the R. F. C. such dividends as the directors may declare in normal course of business. The owners of these insurance shares, having loaned them to the British government for use as collateral will, it is understood, simultaneously receive from Britain the sterling equivalent of the dollars paid over to the Federal Reserve Bank. In addition the United States branches will turn over to the bank subject to approval by Pink any interest and other earnings after he has satisfied himself policyholders are fully protected. The British government, it is said, simultaneously will pay to the home offices of these companies the sterling equivalent of these disbursements.

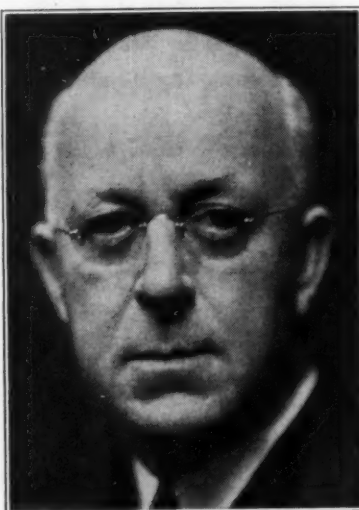
Management Not Disturbed

The agreement in no way disturbs the present managements of the companies or branches or the existing procedure of examination and audit by the state departments.

The Federal Reserve Bank of New York will act as custodian, and whatever portions of the securities have not been returned previously, as a result of periodic reductions in the note, will be released upon payment in full of the principal, interest and any expenses that may have been incurred.

All questions pertaining to the execution, interpretation and carrying out of the agreement will be determined in accordance with New York laws. Although the agreement is dated July 21, 1941, it will not become effective until certain details have been disposed of, including passage of enabling legislation by Great Britain.

Named Regional Director of Civilian Defense



CHARLES R. PAGE

Charles R. Page, president of the Fireman's Fund, has been named western regional director of the National Office of Civilian Defense. In this capacity Mr. Page will have jurisdiction over the territory covered by the ninth army corps area. He is one of nine regional directors in the country.

Since last March, Mr. Page has been one of the leaders in the San Francisco Civilian Defense Council, serving as vice-chairman in charge of fire activities of the program. Two months ago, on resignation of the chairman, Mr. Page became head of the organization and since then has been devoting practically all of his time in aiding the council to complete its disaster preparedness plan.

Following appointment to his new duties Mr. Page has resigned as chairman of the San Francisco organization and has left for the east to spend two weeks in conference with Mayor La Guardia of New York and Washington officials, learning details of his work.

Advisory Council Members

WASHINGTON, D. C.—The names of 18 leaders in home financing industry and other thrift plans who will form the Federal Savings & Loan Advisory Council have been announced by the officers of the Federal Home Loan Bank board. One of the new members is Col. C. B. Robbins of Chicago, manager and general counsel of the American Life Convention. W. E. Hodnett of Lincoln, Ill., prominent local agent

South Carolina Has Short Course

The South Carolina Association of Insurance Agents short course school held for two days at Columbia was a success with four instructors, each of whom presented three lectures. Students took part in 12 open discussions of problems connected with their business. Fire insurance, inland marine, automobile liability and fidelity bonds were the study subjects.

The class numbered 86 including 72 from local agencies in 25 South Carolina towns, and persons from six other points. Twenty-one company men registered. Sixty-one attended sessions and received certificates of merit.

T. R. Miller, Florence, chairman association education committee, was to act as dean, but could not be present, so D. G. Ellison, Jr., Columbia, a member of the committee, substituted. L. A. Grier, Spartanburg, association president, led the opening formalities and closed the school. Dean J. A. Chase of University of South Carolina welcomed the students.

There were 10 written examinations, each student being required to score 700 points and attend at least seven classes. Sessions were held morning, afternoon and evening the first day, and morning and afternoon the second day. Two sound movies of Aetna Casualty, "Word Magic," and "Say it in English," were shown.

The subject of fire insurance was led by Felix Hargrett, secretary Home of New York. H. D. Sherwood, assistant superintendent of agency field service Travelers, instructed in automobile liability; E. B. Gill, assistant secretary Glens Falls Indemnity, in fidelity and H. W. Melville, marine manager American of Newark, in inland marine.

The only social feature was a supper given by McCants & Riley, Columbia, general agents. Mr. and Mrs. R. W. McCants and Mr. and Mrs. Owen Riley were the hosts.

H. A. Brown, association manager, handled business arrangements and was a monitor.

This school was the second the South Carolina association has held. Others are assured.

and head of the Hodnett Agency, has been reelected a member of the council by the Federal Home Loan Bank in his territory.

HOLC Reduces Holdings

WASHINGTON—The Home Owners Loan Corporation reduced its real estate holdings approximately \$124,000, or 26.8 percent in 1940. At the end of last year the HOLC held \$338,276,678 real estate.

Washington Agents' Program Announced

SEATTLE—The program for the annual meeting of the Washington Association of Insurance Agents to be held at Tacoma, Aug. 11-12 is announced:

Morning Session, Aug. 11

Address, Fred A. Moreton, Salt Lake City, executive committee National Association of Insurance Agents.

"Producing More Premiums," panel discussion led by John T. Breckon, San Francisco, assistant director Business Development Office; C. P. Carroll, J. E. McGovern-Carroll Co., Spokane; G. B. Guyles, J. C. Guyles & Co., Tacoma; H. H. Bartlett, state agent St. Paul Fire & Marine, Seattle, and H. B. Speer, special agent Atlas, Spokane.

Afternoon Session, Aug. 11

"Case Histories in Agency Advertising," H. H. Kirschner, San Francisco.

"Compulsory Automobile Insurance and Financial Responsibility Legislation," E. C. Stone, United States manager Employers Liability.

"The Stock Company Association—Its Purpose and Procedure," S. R. Aitken, district manager, San Francisco.

"Inland Marine and All-Risk Covers," H. J. Toso, San Francisco, vice-president Newhouse & Sayre.

Monday Evening

Banquet, Reno Odlin, Toastmaster.

Address, A. B. Langlie, governor of Washington.

Tuesday Session, Aug. 12

"The National Board and National Defense," Jay W. Stevens, chief bureau of Fire Prevention, National Board, San Francisco.

"Objectives of the Surplus Line Association of Washington," R. E. Voigt, Swett & Crawford, Seattle, chairman Surplus Line Association of Washington.

"The Comprehensive Liability Policy," a panel discussion.

Panel: S. J. Stapp, assistant manager, casualty department Travelers, Seattle; Mrs. Elizabeth Miller, underwriter United Pacific, Seattle; A. J. Roberts, Sherwood & Roberts, Walla Walla; R. H. Ensign, John Davis & Co., Seattle.

Afternoon—Annual golf tournament, horseshoe pitching.

Tuesday evening—Buffet dinner and cabaret party, Tacoma Country & Golf Club.

San Francisco Fire Premium Income Rises 2½ Percent

SAN FRANCISCO—Fire premiums written in San Francisco in the first six months of 1941 will show an increase of approximately 2½ percent over the same period in 1940, according to incomplete figures in the semiannual report of the Underwriters Fire Patrol. This shows \$1,829,718 against \$1,800,210 last year. Firemen's Fund of Newark retains first place with \$107,072, against \$85,210 last year; Home, second with \$82,123 against \$82,540 last year. Other leaders for the six months of 1941, with corresponding figures last year are:

	1st 6 Mos., 1941	1st 6 Mos., 1940
Pearl	\$77,813	\$64,690
Continental	71,920	70,346
Fireman's Fund	70,531	79,502
Aetna Fire	66,081	54,103
Hartford	60,710	52,369
United States	54,113	58,199
Pacific National	48,903	54,151
North America	45,702	45,697
Merchants Assur.	44,144	37,530
Security	39,847	51,511
Liverpool	35,464	43,505
Royal	34,296	40,475
St. Paul	32,747	27,152
London & Lancashire	32,376	16,756
Travelers	31,876	13,808
Millers National	26,421	25,143
Fire Association	24,392	26,161
Atlas	23,875	24,990
General of Seattle	22,726	17,558
Sun	22,300	18,860
Springfield	22,280	25,482
North British	21,132	33,199
Home Fire & Marine		

"Why Disability Insurance Is a Good Investment for You" booklets help sell accident and health. 100 copies \$2. Order from National Underwriter, 175 W. Jackson Blvd., Chicago.

THIS WEEK IN INSURANCE

Two Japanese companies hit by latest freezing order. Page 1

Upper Peninsula Association of Insurance Agents elects John P. Old, Jr., president at annual gathering. Page 1

Single state reporting forms 1 and A are now available for merchandise in manufacturing buildings in Missouri. Page 1

Blacklisted South American insurance firms are large and influential in respective countries. Evidence of Axis insurance control is extensive. Page 1

Superintendent Pink finds R. F. C.-U. S. branches plan for loan to Britain would not impair rights of policyholders. Page 2

Program for the annual meeting of the Washington Association of Insurance Agents is announced. Page 2

Fire and casualty mutuals representing 60 percent of mutual business in U. S. adopt voluntary agreement to comply with federal wage and hours act but stipulate they do not waive legal stand act does not apply to insurance since insurance is not commerce. Page 3

Compulsory public liability insurance urged for all planes in report to CAB. Page 11

Francis Van Orman is named vice-president and general counsel of Bankers Indemnity. Page 11

Underwriters are watching compensation field closely as industrial accidents zoom. Page 11

Committee of Federation of Insurance Counsel approves financial responsibility type of auto law. Page 11

Arthur H. Von Thaden, manager of the insurance department of the U. S. Chamber of Commerce, becomes assistant to the president of the Excess of New York. Page 14

E. Dana Johnson, who has been manager of W. H. McGee & Company's southern office at Atlanta, has established a general agency at Jacksonville, Fla. Page 17

Program is announced for the annual meeting of the Oregon Association of Insurance Agents, Aug. 14-15 at Portland. Page 18

National Reserve and Reserve Underwriters, running mates of the Dubuque Fire & Marine, enter the inland marine insurance field. Page 19

Exodus from Cities Creates New Market

Travelers Economist Points to Resulting Increase in Auto Cover Need

A population movement from cities to the suburbs has been under way for some time and the end of the movement is not yet in sight, Prof. W. B. Bailey, Travelers' economist, states in a paper. This trend has its effect upon the insurance business as well as other enterprises, he said.

Improvement in transportation for the worker has been largely responsible for this shift. It has always been necessary that a worker live within reasonable distance of his employment. A farm house is located on a farm so that it is possible to reach it from the various fields with as little inconvenience as possible. When workmen were employed in a factory and the only means of getting to work was by walking, their homes were grouped about the factory, none of them more than a half an hour walk away. Those who were able to go to and from work with a horse and buggy were able to have their homes at a somewhat greater distance. When the railway came in, this enlarged the available area and gave rise to communities stretched out along the railroads. When the trolley car came in, it made it possible for the worker to get off at any street corner and build up towns along most of the main roads of the city running from the center out into the country.

Auto First Rapid Means

However, a really rapid means of transportation was not reached until the perfection of the automobile, Professor Bailey said. The radius of territory in easy reach from the city was increased by at least ten times. By a law of mathematics, this means the available space was increased 100 times. Soon a network of hard-surface roads was built around the cities and the outlying districts grew rapidly.

Electricity was an additional stimulus to scattering urban population, Professor Bailey said. It made lighting, cooking and eating facilities in the rural homes as good as those in urban ones. The electric pump brought improved plumbing. The telephone and radio placed the world at the finger tips. Central schools and school buses improved the facilities for education and the location of stores and movie houses in comparatively small towns obviated the necessity of driving to the city for shopping or entertainment. "Thus it has become popular for workers to enjoy life in the country with a small garden if they so desire and at the same time have most of the advantages and conveniences of city life," Professor Bailey said.

Insurance Increasingly Vital

The shift of population with its emphasis on the automobile as transportation makes automobile insurance a virtual necessity, he said. The man who lives in the country and works in the city can't afford to take any chances of losing his car or his driving license. Not only does he need it to get to work but without it, the family couldn't get into town to do shopping, go to the movies or see their friends.

Insurance Course for Lawyers

Prof. George Stevens of the school of law, University of Louisville, will conduct a course in insurance at the second term of the summer school at Ohio State University, Columbus, July 22-Aug. 29. The course is open to practicing attorneys. Professor Stevens is a graduate of Cornell and a member of the New York bar.

Michigan Upper Peninsula Speakers



GUY M. COX, Iron River, Mich.



D. A. FORBES, Grand Rapids

Grain Elevator Insurance Loss More Than \$50,000

Damage of approximately \$300,000 was done when fire and explosion razed a frame grain elevator and storage bin operated by Gerstenberg & Co. in Chicago. The insurance loss, however, will run much less than that figure since the buildings and equipment were owned by the Grand Trunk Railway, subsidiary of Canadian Pacific, which is a self-insurer.

An insurance loss of approximately \$50,000 comes from destruction of 80,000 bushels of corn in the frame storage house. The building and grain were virtually a total loss. There will be further damage to grain in 12 concrete storage tanks, but the amount of loss had not been determined a week after the fire because grain in these was still burning.

Total storage of corn at the property was 325,000 bushels, ownership of which was divided about equally between the Commodity Credit Corporation and private parties, including Gerstenberg & Co. The grain was all insured in Underwriters Grain Association.

The large tanks were subjected to terrific heat during the fire. In attempting to save them from explosion or collapse, firemen sprayed them heavily with water, some of which got into the tanks from above. Water in wheat creates a combustible condition, especially, as here, with so much heat. In addition fire broke out on top of the wheat, though this type of fire burns slowly. All of the scaffolding around tanks had been burned away and it was impossible to get into them until a special steel scaffolding had been constructed.

Heat from the fire may have charred some wheat in the tanks and made salvage unlikely on that portion except for feed. Conditions made general salvage operations difficult.

Several other large fires occurred in the Chicago area during the week, including Stanworth Oil Co., Chicago, \$25,000; Chicago Bale Tie Co., Chicago, \$15,000; four boats in the Jackson Park Boat Club, Chicago, \$5,000, two of which were insured; North Shore Foundry Co., Waukegan, \$35,000; Arcola, Ill., township high school, \$75,000.

Review HOLC Contract in Georgia

The new contract and supplemental agreement between HOLC and the SCA have been referred to the Georgia attorney-general for an opinion as to their legality. The commissioner had previously set July 31 as the deadline for the operation of the old contract, but until an opinion is rendered, the matter will remain in status quo.

Jack Banta has taken over the management of the C. I. Satterthwaite agency, Waynesville, O. He also has an agency in Lebanon.

Clipper Accident Policies Cause Interest in Far East

NEW YORK.—Aviation underwriters are watching closely the mounting tension in the Far East, because of the number of personal accident policies they write on the Clipper flying boat passengers. Trips now go as far as Singapore. Discontinuance of the writing of such policies would immediately follow an outbreak of hostilities that might endanger passengers on the Clipper ships.

Rates for the one-way trip hazard range up to \$6 per \$1,000 for the trip to New Zealand. For nearer points rates are correspondingly less. The round trip rate is 150 percent of the one-way premium.

Trip coverage is given as far as Lisbon on the trans-Atlantic Clippers, the rate being \$10 per \$1,000 one-way and \$17.50 round trip. All rates are in addition to the basic individual or group policy for personal accident insurance.

European Coverage Dropped

Aviation underwriters formerly wrote personal accident coverage for those wishing to fly on European airways but discontinued this about a year ago, limiting the coverage to Lisbon, eastern terminus of Pan-American Airways. About a year and a half ago Russia was eliminated from the coverage under personal accident aviation policies because of the difficulty of getting accurate information about civil aviation operations. The same considerations were largely responsible for the more recent action on the rest of Europe, with the added consideration that the quality of pilots may have suffered on European air routes because of so many men being transferred to military flying.

Having obtained quite a little business because so many life companies have excluded the aviation risk where the applicant does any amount of flying or seems likely to, aviation underwriters will probably obtain more of this business because of the increasing tendency of life companies to adopt war clauses on male risks between the ages of 18 and 45. These war clauses contain aviation exclusion riders, which would bar recovery under a life policy even if death did not occur as a result of an act of war. Even death occurring in the civilian pilot training program would be excluded.

The increase in accident business is not likely to be very marked, however, as life companies have for some time been putting on aviation riders whenever it appeared likely that there was or would be an aviation hazard. The main effect would be where young men on whom the aviation risk would not now be excluded later go into aviation

Mutuals to Comply with Wage-Hours

Adopt Voluntary Agreement While Not Waiving Legal Position

Voluntary compliance with the wage and hour act on a national basis was announced this week by more than 100 larger fire and casualty mutuals. The announcement stated they were the first insurance companies to take such action.

The American Mutual Alliance, with which most of the carriers concerned are associated, advised Administrator P. B. Fleming of the wage and hours division of the companies' formal approval of an agreement to this effect.

The group writes approximately 60 percent of all mutual fire and casualty insurance in the United States.

Stick to Legal Position

The agreement, it is stipulated, is not a waiver of the mutuals' legal position held in common with other insurance organizations, that the law does not apply to insurance, because insurance companies are not engaged in commerce. The voluntary action was taken in line with a policy of cooperation with state and federal authorities. The mutuals, through American Mutual Alliance, however, stated that insurance regulation is the function of individual states, and state regulation has been developed to a high degree of refinement over the 72 years since the U. S. Supreme Court in 1869 held in the case of Paul vs. Virginia that insurance is not commerce.

Hull Syndicates' Premiums Up

NEW YORK.—Despite the large number of vessels which the government has requisitioned from the merchant marine, premiums of the American hull syndicates are substantially ahead for the year to date even without taking into account the very considerable increase in builders' risk insurance.

The loss of premiums due to ships being taken over by the government has been much more than offset by increased values on hulls which are still in the market and by the great increase in ship-building.

To some extent hull premiums have increased by reason of a shift to this country of business formerly placed abroad. However, this not been a very big factor and in some cases a slight rate differential in favor of the European market has resulted in business previously written in the American market going to London.

Churchill to West Coast

NEW YORK.—William M. Churchill, in charge of production of Associated Aviation Underwriters, has been shifted from the New York office to supplement the west coast staff, which recently lost two of its top men to the army air corps. Capt. L. W. Sweetser, Jr., Pacific Coast manager, and Lieut. P. W. Herbert, assistant manager, are now on active service. Associated recently acquired Joe Chapman, who has had a long experience in the aviation underwriting field. He is in charge of Pacific Coast production. Because of the increased business of the Pacific Coast office due to the great amount of aircraft construction in that area, four additional persons has been added to the clerical staff.

and find that the life insurance policies they have bought automatically exclude death in aviation training accidents. Naturally it will take some little time for this to manifest itself.

Forms of Competition Are Being Examined

NEW YORK—During the last several weeks there have been informal conferences of the fire company executives and organization men regarding a form of competition that is growing, that is subtle and insidious and that is somewhat different from what has confronted the business in the past. No attempt has been made by any company organization to regulate it but one or two have made a study of the situation and members have been advised of the dangers along the way. For instance, one of the western organizations sent a letter to all the field associations in its jurisdiction, warning the field men against contributing to various local enterprises, especially firemen's and police benefits, educational work, etc., along insurance lines. In times past, it was stated, agents have appealed direct to companies for contributions but now are touching up field men. They are all worthy from a local standpoint. The companies point out, however, that if it were made a policy to respond to all these appeals the country over, the aggregate sum at the end of the year would be very large.

Present Conditions Responsible

The conditions of the day seemingly are responsible for pressure being placed on companies in many ways. The decrease in rates is found in all sections. The company syndicates and outside brokers have taken many of the large local lines. Agents are lucky if they get a countersignature commission. The chain stores are found everywhere. Thus the agent's income has been greatly reduced. Fortunately he has been able to overcome some of his loss by pushing casualty lines, inland marine and automobile. If it were not for his casualty business the agent would be sunk in the mire. He could not stand the competition that confronts him. He would find, for example, that he could go into some other business and make more money. The outlook, therefore, under existing conditions is not the best. The casualty business has been a life saver for all agents. Those that are alert and aggressive have planned business getting campaigns, have studied the various casualty coverages and therefore are able to render the highest service to customers. They are very intelligent in their solicitation.

Squeeze Out More Commission

Probably the most insidious form of competition confronting companies is the effort on part of a number of agents to squeeze out more commission from their fire companies. Their situation is very frankly related. There is no doubt as to the fact that the agent's income has been decreased. Therefore, a field man is singled out and told that it will be necessary to get more commissions. For instance, an agent may state that he needs 5 percent more. The field man confers with his superior and in order to get out of a rather embarrassing situation the agent perhaps is told that if all the other companies in the agency will agree to the excess commission this particular company would not object. That naturally opens the way on part of the agent by saying that the "Old Insiders" is willing to grant his request.

In days gone by company executives and managers did not listen to the siren song with any degree of friendliness. Now companies need to watch their own sources of income carefully because of the similar situation confronting them. They do not want to offend a good producing, profitable agency. Therefore they go as far as they can. In cases where an agent has sought extra commissions, if the company belongs to an organization the matter is taken up with the other companies in the agency and they agree to stand

together. However, no one knows in how many cases here and there, a company has not had the courage to resist the appeal.

One of the most popular forms of appeal is in the part of the monthly bulletins of state association of agents. The officers may go direct to companies but more often work through the field men. When there were but few monthly bulletins the expense was small. Now, however, probably 65 percent of the states are getting out bulletins and bombarding the companies for advertising. If a company seems reluctant, then the officers get two or three of its most important agents in the state who are members to bring the matter to the attention of the field men or company executives. This pressure, therefore, becomes quite warm. Many companies are thus forced into a position where they must contribute.

Agents themselves resent financial pressure so far as banks, building and loan associations and finance companies are concerned and yet they bring agency pressure on companies to get contributions from them, according to the company officials. Many of the company men declare that a state association should not attempt to issue a monthly bulletin unless the organization or the members themselves can finance it. Some of these monthly papers have become quite formidable. They have trained men at the helm and they are very aggressive. They are considered in some cases the most far reaching competition confronting the regular trade insurance papers. That is, the state association papers can bring pressure to bear on companies that the regular trade papers would not dare do.

Annual Agency Outing

Another form of company contribution that is growing by leaps and bounds is the so-called agency outing or golf day. Field men of the agency are subtly asked to defray the expense by being charged a registration fee. Some local boards have an annual outing and rely on the field men to stand the expense by the registration fee method. Field men, therefore, are put on the spot if they do not respond. Thus the field men themselves must attend the outing and contribute to it. Some of the companies have counted up their 1940 contributions in this respect and found they entered the higher brackets.

Still another form of company contribution is the anniversary dinner. An agency or a member of the firm has been in the business for 25, 30, 35, 40, 45 or 50 years and therefore it seems appropriate that some recognition be made of it. At times it must be said that these dinners are stimulated by some field men in order to get an edge in on the agency. After the movement is started the other companies in the agency are forced to come in or perhaps be penalized in some way or other. An agency invites many of its customers.

This anniversary dinner proposition is growing rapidly. As the business grows older the agency is naturally in the business longer and an opportunity for these dinners comes at five-year periods. The companies would not object to an anniversary affair if an agency were 50 years or more. They do object to agencies that are ringing in anniversaries from 15 to 35 years, for example.

Payment of Delegates Expense

To show how far the contribution system is carried, one company cites the recent convention of the National Association of Insurance Women at Nashville. In most cases the delegates have no expense accounts. In some instances the delegate was the leading girl in an agency. The agent in a very diplomatic way brought up the question

with his field men, suggesting that the companies in the agency finance her trip. If one field man responded that meant that the others were compelled to or perhaps lose caste in the agency because the leading girl can do much to switch business from one place to another.

Statement of a President

The president of a company in commenting on this situation to THE NATIONAL UNDERWRITER said in substance: "This particular kind of competition to which companies are subjected is most insidious because a company alone is almost helpless. That is, the companies want business as well as the agents. A company subjected to solicitation is put on a hot spot. A field man or a company executive approached does not know what the others are doing or will do. If he refuses then he is regarded as a tight wad and it is very easy to teach him a lesson. All of us sympathize with the situation confronting the agent and want to do everything possible to be of help. At the same time this pressure on part of agents and agency organizations is becoming more and more onerous. We are besieged here and there for various kinds of contributions. All of them, we must acknowledge, are worthy. However, every company wants to do everything possible for an agent. We realize and feel that here is an opportunity for the National Association of Insurance Agents to lend a hand and discourage a practice that is growing and becoming more ominous.

Companies Partly Responsible

"Perhaps the companies as a whole have more or less stimulated these appeals for contributions of various kinds. An agent thinks that the companies have the money and he has not so much and therefore it is the duty of the companies to share some of their surplus. I have often attended conventions of agents and have seen the very lavish entertainment that is furnished by some of the companies. I think that the agents get the idea that the companies want to be very liberal in their entertainment program. In fact, companies seem to vie with one another in their efforts to attract attention at these conventions by the lavishness and cost of their entertainment at company headquarters.

Agents Have Wrong Notion

"In this way agents may have misapprehended the true situation. After all there are only a few companies that have these expensive headquarters. Yet the entire business seems to be more or less involved. We all realize that the companies have not a monopoly at all on intelligence and good sense. The agents are not trying to gouge the companies but we believe that they have a misconception and a false assumption of what the companies are willing to do. All these appeals mean really extra compensation or the financing of a project that will give the agency greater prestige. It is a problem for both sides to take up and reach a common understanding."

Interested in Recent Local Agent Editorial

Thomas S. Gillis Insurance Agency of Fort Worth, Tex., in reference to an editorial in THE NATIONAL UNDERWRITER of July 24, has this to say:

"Your editorial entitled 'Why the Local Insurance Man' is the best and most practical argument in justification of the local agent that has come to our knowledge. It has been instrumental in saving for us a large line of business that was headed for the out-of-state brokers."

Geo. D. Wilson of the Leiding Insurance Agency of Cincinnati says:

"The article entitled 'Why the Local Insurance Man' in the current issue of THE NATIONAL UNDERWRITER is in my opinion one of the finest word pictures of the value to an assured of a wide awake local insurance man. It certainly explains and justifies his position in the

Md. Department Wants Assessment Notices Stopped

BALTIMORE—Commissioner Gontrum has requested Deputy Commissioner Costello of Pennsylvania to discontinue sending notices of assessments to former policyholders of the Keystone Indemnity Exchange in Maryland or attempting to collect the assessments from Maryland policyholders. Mr. Gontrum cites a law passed at the recent legislative session and also a ruling by the Maryland court of appeals. The law states that no court proceedings shall be brought against a policyholder of a domestic or foreign reciprocal or inter-insurer for the purpose of enforcing an assessment later than one year after the termination of a policy, unless the policyholder had been notified of the assessment within one year after the termination of his policy. Mr. Gontrum says that no Maryland policyholder received such notice within a year. He also stated that he was advising persons making inquiry of his department in regard to the subject to ignore the demands.

Michigan Fire Preventers Will Arrange Year's Work

As president of the Michigan Fire Prevention Association, Fred H. Pierson has appointed these committee chairmen: Speakers, R. L. Jennings, American; schools, Robt. E. Foster, Michigan F. & M.; churches, Geo. L. Stone, National Liberty; chamber of commerce, A. B. Paulsen, Continental.

The members of the executive committee, including the officers, will meet in Detroit, Aug. 4, to formulate plans for an aggressive and successful campaign for the ensuing year. R. E. Vernon, Western Actuarial Bureau, will be present at this meeting.

Plans are now being made for the inspection of Plymouth Sept. 24.

Maryland Action on Mutuals

BALTIMORE—Commissioner Gontrum of Maryland has received an opinion from Attorney-general Welsh dealing with an amendment to the retaliatory law passed by the last legislative session. Sound mutual companies in Pennsylvania licensed in Maryland, it is stated, will be permitted reasonable time in which to increase their surpluses. The Pennsylvania legislature increased the amount of surplus which it required of outside mutuals as a condition of doing business in the state. The insurance department allowed the Maryland mutuals of good standing already admitted, not having sufficient surplus, to meet the new requirements within reasonable time. Therefore Maryland will grant the same privilege to Pennsylvania mutuals.

West Virginia Ruling

CHARLESTON, W. VA.—The West Virginia department has approved a rating plan for automobile finance accounts written on the master policy certificate basis in the state. It is about the same as the special plan announced in October by the National Automobile Underwriters Association except that all business must be written in accordance with the prescribed rate, which was 75 percent of manual. Certificates only may be issued under master policies. Individual policies, memoranda or bordereaux are prohibited in conjunction with master policy contracts. Financed automobiles when written under individual policies, whether part of financed accounts as defined or not, must be written in accordance with the full manual rates and rules.

distribution of this commodity. If a picture such as portrayed in this article could be brought forcibly to the attention of the general public, it is my opinion that the role of the local agent would be made easier and many prejudices broken down."

NEWS OF FIELD MEN

Hartford Fire Men Assigned in West

A number of assignments have been made by Hartford Fire in the midwest.

Roland H. Lange, special agent in northern Illinois for several years, was transferred to southern Michigan, with headquarters at Jackson. He is a graduate of Northwestern University fire insurance course and before taking up field work had several years' training as an underwriter in the Chicago office. He will succeed W. K. Miller, who is giving up the field due to illness.

Robert W. Ellis was transferred from southern Oklahoma to northern Illinois, succeeding Mr. Lange. He also is a graduate of Northwestern University fire course and is an experienced underwriter.

George W. Barker, for several years in the underwriting department at Chicago, who has been assistant to Special Agent O. D. Butcher in Kansas at Topeka for more than a year, is being transferred to Oklahoma and will succeed Mr. Ellis. He will have headquarters at Oklahoma City.

Cook County Department Changes

A. E. Robinson, who has been connected with the Cook county (Ill.) department for a number of years, has been made special agent for the southern half of the county. He is an experienced underwriter and will be under the direction of Manager Charles C. Hatcher, Jr., of the Cook county department.

Curtis A. Wuhs, experienced marine underwriter, has been made special agent for the northern half of Cook county under the direction of Manager Hatcher.

L. F. Braman, formerly special agent of Security of New Haven in Illinois, has been appointed special agent of Citizens of New Jersey for Indiana. He has had a good field experience and will take over all agencies in the state, which heretofore have been supervised by Hartford field men. He will have headquarters in Indianapolis.

Plan to Extend Educational Work in California

SAN FRANCISCO—The mid-year meeting of the Special Agents Association of Central-Northern California here Aug. 4 will be devoted to plans for increased activity in the educational program sponsored by the California Association of Insurance Agents.

Various special agents have been serving as speakers at the educational classes. Further cooperation and assistance will be considered according to A. H. Bonstin, New York Underwriters, president of the special agents' group. All association members who are now completing courses in public speaking are also being urged to attend for assignment to speaking engagements in cooperation with the agents. The enlarged educational activity program will get under way around Sept. 15, at which time it is planned by the Insurance Institute of California to hold classes at six points throughout the state in addition to Oakland, Santa Barbara, Sacramento and Contra Costa county, where classes have already been completed.

Mo. Fire Prevention Committees

The Missouri Fire Prevention Association has selected the following as executive committeemen: Earl L. Crellin, America Fore; R. L. Bolling, Sun; Howard Campbell, Kansas City F. & M.; W. O. Woodsmall, Fire Association; Charles K. Hughes, American of Newark; Fred L. Stingle, America Fore; R. M. Gisburne, Home; E. P. Kiesler, Kansas City F. & M., and W. B. Winchell, North British & Mercantile.

Committees and chairmen are: Speakers, O. A. Ramseyer and J. F. Lisy;

law, M. I. Parker; inter-chamber fire waste contest, C. H. Mahn, and public buildings, George Horras.

Promoted to State Agent

Frank Distel, special agent in Arizona for Home, has been appointed state agent in Arizona. Mr. Distel joined the company in 1931 and was transferred to Phoenix, Ariz., after seven years in the Pacific and foreign departments.

He succeeds R. A. Macfarlane, veteran Arizona state agent, who resigned on account of his health.

Becomes Firemen's Special Agent

Arthur E. DuBois of Johnson & Higgins, Detroit, has been appointed special agent in Detroit and Wayne county by Firemen's. Previous to going to Detroit in 1937, Mr. DuBois was a brokerage underwriter in New York City.

Marie Farrell, daughter of Chester E. Farrell, Louisiana state agent of Security, won a scholarship to the Trappagan School of Design & Fashion in New York, representing Louisiana State University.

Convention Dates

Aug. 11-12, Washington Agents, Tacoma, Winthrop Hotel.

Aug. 14-15, Oregon Agents, Portland, Multnomah Hotel.

Aug. 17-18, Idaho Association of Insurance Agents, Idaho Falls.

Aug. 26-28, Blue Goose grand nest, Asheville, N. C., George W. Vanderbilt Hotel.

Sept. 3-5, International Association of Insurance Counsel, White Sulphur Springs, W. Va., Greenbrier hotel.

Sept. 8-9, Insurance Advertising Conference, Hershey, Pa., Hotel Hershey.

Sept. 8-10, International Claim Association, Atlantic City, Ambassador Hotel.

Sept. 9-10, Iowa Agents, Cedar Rapids, Montrose Hotel.

Sept. 11-12—Michigan Agents, Grand Rapids, Hotel Pantlind.

Sept. 11-13, Minnesota agents, Kahler Hotel, Rochester.

Sept. 15-16, Montana agents, Billings, Commercial Club.

Sept. 15-16, Pennsylvania Agents, Shawnee-Delaware, Buckwood Inn.

Sept. 16, Vermont Agents, Woodstock Inn, Woodstock, Vt.

Sept. 16-17, Western Underwriters Association, White Sulphur Springs, W. Va., Greenbrier Hotel.

Sept. 18, North Dakota Insurance Federation, Grand Forks, Dacotah Hotel.

Sept. 19, N. Y. Insurance Federation, Rochester.

Sept. 19-20, Wyoming agents, Casper. Sept. 25-26, Wisconsin Agents, Milwaukee, Hotel Schroeder.

Sept. 24-26, Kansas agents, Salina, Lamer Hotel.

Sept. 24-26, New Jersey Agents, Asbury Park, Berkeley-Carteret Hotel.

Sept. 29-30, Utah Fire & Casualty Insurers Association, Salt Lake City.

Oct. 3-4, Colorado agents, Denver, Shirley-Savoy Hotel.

Oct. 6-9, Joint casualty convention, White Sulphur Springs, Greenbrier Hotel.

Oct. 6-10, National Safety Congress, Chicago, Stevens Hotel.

Oct. 13-16, National Association of Insurance Agents, Kansas City, Muehlebach Hotel.

Oct. 13-16, Missouri Association of Insurance Agents, Kansas City, in conjunction with National association.

Oct. 16-17, Ontario agents, Toronto, Royal York Hotel.

Oct. 20-22, Ohio Agents annual meeting, Hotel Secor, Toledo.

Oct. 27-29, National Association of Mutual Insurance Agents, Pinehurst, N. C.

Oct. 29-30, Indiana Agents, Indianapolis.

Oct. 31, New Hampshire agents, Carpenter Hotel, Manchester.

Nov. 3-6, National Association of Mutual Insurance Companies and Federation of Mutual Fire Insurance Companies, Los Angeles.

Nov. 5, Connecticut Agents, New Haven, Hotel Taft.

Nov. 6-7, Illinois Agents, Peoria, Pere Marquette Hotel.

Nov. 10-12, California Agents, Sacramento, Hotel Senator.

Dec. 8-10, National Association of Insurance Commissioners, mid-winter meeting, New York, Hotel Pennsylvania.

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AS SEEN FROM CHICAGO

SCHMIDT OPENS OWN AGENCY

Val H. Schmidt, formerly manager of the life department of Robert H. Beard & Co., Chicago, has organized the Surety & General Insurance Agency there, with offices in 166 West Jackson boulevard. He has been appointed general agent of Midland Mutual Life. The firm will do a general brokerage business. Mr. Schmidt started his insurance career with the Beard agency 13 years ago where he developed a large personal general insurance business. Prior to that he operated the "Daily Calumet" in South Chicago.

FORM RIDDLE & BAY OFFICE

Riddle & Bay has been formed in Chicago to handle insurance interests of Riddle & Riddle, Chicago mortgage bankers. The partners are L. W. Riddle, M. B. Bay and Hugh Riddle. Riddle & Riddle, father and son, are mortgage loan correspondents of Continental Assurance, Midland Mutual Life and Reserve Loan Life of Texas. Mr. Bay is a University of Chicago graduate who has been in insurance work for 12 years.

READ IS LIFE COMPANY MANAGER

Union Mutual Life has appointed the R. I. Read general agency, Chicago, manager for Cook County and Illinois.

Mr. Read is well known in Chicago and nationally. He began his insurance career with the Western Actuarial Bureau in Chicago and later became Illinois and Missouri state agent for Sun Life. In 1917 he resigned to enter the brokerage business in Chicago, associated with Marsh & McLennan. In 1921 he opened the Chicago brokerage office for Crum & Forster, later taking over Cook county management of their companies for 20 years. He resigned it early this year to open a general agency of his own, doing business in all lines.

He will represent Union Mutual in accident and health as well as life business. The company has moved its former life department offices in the Conway building into Mr. Read's offices in the insurance Exchange.

In addition to the Read agency, Union Mutual is represented in the accident and health department, ordinary division, in Chicago by Val H. Hawkins & Associates.

NEW BOARD MEMBERS ELECTED

Oscar W. Engelhard, member of the firm of Engelhard-Krogman & Co.; John W. Bourke and Peter Novak, both of Bourke & Novak, were elected supervising members of the Chicago Board at the quarterly meeting. George H. Bell, retired western manager of National of Hartford, and Fred Y. Coffin, Moore, Case, Lyman & Hubbard, were elected honorary members.

Charles Buresh, Fred S. James & Co.; A. W. Jenkinson, manager Cook county and metropolitan department, Northern of London, and William J. Laadt, member of the firm of Cramsie-Laadt & Co., were elected on the board. E. M. Schoen, western manager of Atlas Assurance, gave his annual report as chairman of the patrol committee.

PRESIDENT LANE ON TOUR

O. E. Lane, president of the Fire Association, was in Chicago Monday visiting the western department. He was on his way home from a trip to Colorado and Wyoming. He formerly was located at Denver for five years, being state agent of the Scottish Union & National.

"INVESTIGATION" NOT SERIOUS

The reported "investigation" of Chicago brokerage offices by the federal government was far less sensational than news items indicated. The inquiry revolved around the failure of only about five brokers' offices to report under the

U. S. wage and hour law the hours worked by their employees each week.

It appears that there was some confusion in the minds of these brokers as to whether they came under the provisions of the law. Some brokers secure stenographic and clerical service from employees of offices in which they are associated. Other brokerage offices are affiliations of several brokers whose businesses are independent, but who have a stenographer and a clerk to perform their work.

Reasonable questions, therefore, were raised as to who was the employer in such cases, who should report to the wage and hour commission, or whether any report at all should be made. The brokers, it was said, were not evading the law and are willing to comply with its requirements now that they understand them.

NEW YORK

MUTUAL ON BIG NEW YORK LOSS

The Merchants & Business Men's Mutual, Harrisburg, Pa., is reported to have carried the insurance on the stock of Modell's Sporting Goods Company in the six-story building at 200 Broadway, New York City, burned recently in what firemen hold was the worst fire there in months. The loss on stock was estimated at \$60,000. Owners of the building, insured with stock companies, are said to hold it a "constructive total loss."

TAKES POST AFTER LABOR DAY

R. M. Beckwith of Chicago, recently appointed assistant manager of the Eastern Underwriters Association, is expected to assume his new duties shortly after Labor Day. The general offices of the association are being redecorated and a room prepared for Mr. Beckwith.

RETURNS FROM THE MUTUALS

Best's "News" reports that the first seven mutual companies to file semi-annual statement figures report a gain of 7.8 percent in net premiums and reduction in the six months incurred loss ratio to earned premiums is from 42.2 percent to 39.9 percent. The expense ratio remained at 35.5. The seven companies are the Berkshire, Central Manufacturers, Grain Dealers, Hardware Dealers, Indiana Lumbermen's, Millers Mutual, Mill Owners of Iowa, which had net premiums of \$10,599,000 in 1941 as against \$9,837,000 in 1940.

ALL HANDS COOPERATING

Inspection and adjusting bureaus, independent adjusters, fire prevention associations, etc., are being asked by companies now to keep a very sharp lookout on all losses and inspections so that any possible danger can be sighted. Companies realize that there are many fifth columnists employed who would delight to have a concern set afire or blown up. They do this work in a very subtle way. The adjusters are asked to be particularly on their guard and not allow any suspicious activity to go unnoticed. Therefore, the fire insurance industry is in a position to assist the government very materially in the defense project.

Ruling on Securities Issued by Minnesota Commissioner

ST. PAUL—Commissioner Johnson of Minnesota has set forth rules and regulations regarding the deposits of securities by insurance companies.

No registered securities will be accepted for deposit unless registered to

"commissioner of insurance" for the benefit of all policyholders of the depositors. Securities deposited will be limited to those permitted under Sec. 3319 and other statutes governing deposits.

Mortgage deposits will be accepted only in accordance with provisions of the law and they must be accompanied by an assignment to the commissioner of insurance. In all cases where mortgages are deposited, credit toward the deposit will not exceed the value of the lands secured without regard to improvements. Independent appraisals on the value of the land must be filed to enable the department to determine the allowable value of the mortgages deposited.

These new rules are effective at once and will apply on all deposits hereafter made as well as on all replacements of securities.

Priority for Prevention Equipment

The division of priorities, Office of Production Management, has added to the priorities' critical list fire prevention equipment of all types. This means that material used in the manufacture of such equipment will be easier for such manufacturers to secure. Materials used by the manufacturers of such

D. F. Broderick, Inc., Is Coast Manager for Lumbermen's

D. F. Broderick, Inc. (Washington), with headquarters at Seattle and Portland, has been appointed underwriting manager of Lumbermen's of Philadelphia, a member of the Fire Association group, for Washington, Oregon, Idaho, Montana, Utah and Alaska. Roy Martin, Jr., is president.

D. F. Broderick, Inc. (California), which operates in the other coast states, has also been appointed underwriting manager for Lumbermen's. J. H. Glenn is president of the California corporation.

Representation of Dearborn National is being relinquished. The latter company is withdrawing from the coast field and its liability in that territory is being reinsured by Lumbermen's. Dearborn National is continuing its operations in other parts of the country through its own branch offices.

equipment were becoming difficult to secure.

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Upper Peninsula Agents Elect Old

(CONTINUED FROM PAGE 1)

Mr. Cordero disclosed "we are going to uphold the high standards that have been established." He endorsed the educational program in connection with the University of Michigan extension division which is making it possible for all agents to obtain a more thorough knowledge of the business and its practices.

"Our investigations of bad practices on the part of the agents or companies are going to be more thorough and of a broader scope and we feel sure of your continued cooperation with our plan of keeping Michigan agents in the highest national rank of the profession," Mr. Cordero said.

At the opening session Mayor Buchko of Bessemer extended the welcome and Fred Roper, Menominee, responded. Arno Schorer, Kalamazoo, state treasurer, and Fred Winter, Muskegon, past president, spoke.

Company Men Speak

E. L. Krentin, manager claim division Maryland Casualty, spoke on "What Does a Claim Department Expect of the Agent?" Walter Bremer, assistant superintendent liability department Hartford Accident, discussed "Contingent Liability"; C. S. Williams, Jr., special agent Aetna Casualty, "The Medical Payments," and Walter Hansen, manager Western Adjustment, reviewed "The Agent's Duty in Event of Loss."

W. O. Hildebrand, state secretary, was unable to be present.

A fire prevention survey was conducted the day before the convention in Ironwood, Bessemer and Wakefield with 38 field men participating. W. H. Moller, London & Lancashire, Detroit, president Michigan Fire Prevention Association and William Cameron, Boston, Lansing, association secretary, were in charge.

Vernor Urges Education

The need for an educational program for firemen in the upper peninsular area was stressed by R. E. Vernor, Western Actuarial Bureau, Chicago, at the banquet following the inspection. The greatest difficulty in fire prevention is minimizing the human element while mechanical problems are fairly easy to solve, Mr. Vernor said. More people have been killed in fires in the last five years than in the bombing raids in England, he said.

Mr. Vernor was introduced by Toastmaster J. W. Mundus, Ann Arbor, member of the Michigan association executive committee. He in turn was introduced by R. J. Sage, Ironwood, president Upper Peninsula association.

A number of field men and local agents attending the convention took advantage of the opportunity to fish on Lake Superior. Carl Claussen, western manager London & Lancashire group, along with W. H. Moller, special agent, went on a fishing trip with Mr. Cox on Paint River near Crystal Falls, Mich.

Because of the heavy rain storm on the opening day the golf committee cancelled the golf tournament scheduled for Friday afternoon. The radio which the Hartford Accident was going to give as the golf prize was then given as an attendance prize at the Saturday night banquet in Wakefield. It was won by Miss Dorothy Neugebauer of Houghton.

Hartford Accident had the largest attendance of company men at the Saturday night banquet in Wakefield. In addition to Vice-President George H. Moloney, those attending were J. W. Reitze, assistant manager, Charles N. Dubach, superintendent of the production department, Walter Bremer, superintendent of the liability department, and Lewis Wargin, state agent.

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Freezing Order Hits Two Jap Units

(CONTINUED FROM PAGE 1)

With increasing tension between the two countries, the volume of marine premiums placed in Tokio by Appleton & Cox has gradually decreased. In recent months practically the only business going to Tokio in the U. S. has been ocean marine cover desired by Japanese merchants on their exports, chiefly cotton, to Japan.

Appleton & Cox withdrew Tokio from membership in the American Cargo War Risk Reinsurance Exchange and the ocean marine pools July 1, increasing the participation of its other companies.

Sumitomo, which entered the U. S. in 1920, and whose managers are Carpenter & Baker, New York, has written little business in this country. Its premiums in 1940 were \$174,499, and were substantially greater than in previous years because of war risk insurance.

Union of Canton, formerly of Hong Kong, a British crown colony, now operating out of Sydney, Australia, is not expected to be affected by the freezing order. Yang-Tsze Insurance Association, Ltd., Shanghai, managed by Platt, Fuller & Co., New York, had assets of \$1,111,801 at the end of last year, and wrote \$374,133 in premiums. Canton Insurance Office, Ltd., Hong Kong, is licensed in California. Louis Rosenthal is U. S. manager. The company had assets of \$282,520, did business of \$48,476 in California last year.

Pink Becomes Liquidator

Justice Benvenga of the New York supreme court has granted the petition of Superintendent Pink to take over and liquidate the assets and business of General of Italy in this country. Mr. Pink assumes title to all property, contracts and rights of action of General, and all claims must be filed with him on or before Nov. 25 this year. The liquidation bureau of the department is in charge.

At the time of the President's order in June freezing axis assets in the U. S., General had about \$1,500,000 in a trust account of the New York insurance department plus approximately \$100,000 held by the Ohio department.

General, which had assets of \$3,284,010 at the end of 1940 and which did a business of \$1,521,711 last year, entered the country in 1935. Dr. Ignazio Hornik was U. S. general attorney, with S. D. McComb & Co., New York, marine managers; Mather & Co., Philadelphia, fire managers, and Seibels, Bruce & Co., Columbia, S. C., reinsurance managers. Fire and auto business through Mather & Co., was discontinued at the end of last year, reinsurance May 1 and marine May 31. The business was reinsured. An effort to form an American company, Atlantic General, with funds of the Italian company, was abandoned.

General Security Assurance, with initial capital of \$250,000, succeeds to the U. S. interests of General of France, which has been writing reinsurance on fire, inland marine and allied lines in America since 1910. N. M. Robertson and F. H. Newman, manager and assistant manager of General of France, will direct the affairs of General Security Assurance.

Canadian interests of General Fire of France and General Casualty of France were incorporated in General Security of Canada under a dominion charter several months ago.

Republic of Dallas declared a quarterly dividend of 3 percent or 30 cents per share, payable Aug. 25 to stock of record Aug. 11.

Paul Revere declared a regular semi-annual dividend of 60 cents per share and extra 10 cents per share, both payable Aug. 1 to stockholders of record July 22.



**When Selling is Tough
I Count On**

*Home Office
Cooperation*

from The

RELIABLE

FIRE INSURANCE CO.

**Wideawake Agents Know
That RELIABLE Offers
Alert Selling Help**

Alert, aggressive help by state agents or the home office helps you make the extra sales that mean added profits . . . and that's why The Reliable Fire Insurance Company stresses ethical help to its agents.

For full details on this money-making opportunity, write Wm. F. Kramer, President; E. J. Weiss, Secretary, Reliable Fire Insurance Company, Dayton, Ohio.

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*An Independent Ohio Company with
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EDITORIAL COMMENT

Drive Home Cautiously

VICE-PRESIDENT S. T. WHATLEY of the life department of the Aetna Life closes the annual regional convention with a very practical admonition. He always says, "Drive home cautiously." He realizes that many people drive to these conventions. At times delegates are accompanied by their wives or other members of their families. The auto accident hazard is increasing. There is a great temptation after a person has been to a meeting and has been away from home for several days to get back quickly. Therefore speed enters into the picture. The driver forgets to

watch the side roads and lanes coming out from the farms. He does not slow up at intersections. He takes too many chances. He tries to slip around some other machine and often gets on the shoulder of the road and gets down in the ditch.

The automobile accidents this year are increasing and show an advance over last year. We are confronted with a real problem so far as automobile accidents are concerned. Vice-president Whatley's admonition can be taken to heart not only by his own people but by us all.

Importance of New Accounts

THE officials of the Business Development Office are offering some excellent sales suggestions to producers, practical and worth while. Not long ago as we recall it Assistant Manager H. P. North at New York headquarters spoke of the importance of the infiltration of brand new accounts in an agency's business. An office that does not realize its importance and follow the practice soon shows signs of decline. New business constitutes the life blood of a producer's accounts.

J. T. Breckon, assistant director at

San Francisco, in his Oakland convention talk, urged that a definite time be set aside each day for the solicitation of new risks as he put it by extensive and intensive selling. The latter method he would apply to customers already on the books and the first to new prospects.

These men who are studying sales methods evidently find that more thought should be given to salesmanship problems and strategy. They realize that it is the new accounts either from present or prospective customers, that leaven the bread.

Don't Pass the Buck to Companies

INSURANCE companies through their local agents are constantly being called on to make contributions to charity and community chest drives and to take advertisements in programs for benefits, school annuals and such money raising projects. One small contribution or advertisement doesn't amount to much but if hundreds of these requests are complied with, the total expenditures would reach sizable proportions.

When local agents are approached by sponsors of such enterprises, it is natural to pass the buck to their companies which in turn makes it very embarrassing for the home offices. Consequently, if agents would explain the situation, the solicitors would be satisfied and the companies would be saved the embarrassment of turning down such requests.

Aetna Fire in its "Messenger" recently clarified the companies' problem in this regard and its explanation which follows is worthy of every agent's consideration:

"One swallow may not make a summer, but after one appears the farmer

better look to his peach trees, for it won't be long before there will be many mouths to feed.

"So it is that one little contribution of \$35 toward the new addition for the church, or a quarter page 'advertisement' in the local high school annual dance program at \$17.50 will not make much percentage impression on an insurance company's expense ratio, but the moment we accede to any request of this kind—either direct or through our agents—the danger sign goes up.

"We have not looked up the number of church edifices in the United States, but we venture the guess that there are not fewer than 50,000. Your figure on the number of schools—public and private—is as good as ours. They all issue programs or class books—this we do know. Then there are the fraternal organizations, the trolley and busmen's associations, the federal, state and city employees associations, the chambers of commerce bulletins, the volunteer firemen groups, and so on, without end.

"Almost all of them at some time or other decide upon a publication and

start out to sell 'advertising.' Sometimes they ask insurance agents to get to work on the companies they represent, and some of the sponsors write direct to the home offices. Either way the requests are embarrassing, for they must be refused.

"We admit that all of these organizations are worthy, that they need money, and that they have a legal and moral right to raise it through the sale of space in their publications.

"But the legitimate market for their sales is the local merchant and business man, not the national organization that spends its advertising appropriation in publications having national circulation.

The basic rate in the one-time local publication is many times greater than any advertising value it can possibly have. This may not be important if only one or two little local magazines or programs are involved, but multiply the difference by 100 or perhaps 1,000 and it makes the cost of advertising—unproductive advertising—prohibitive.

"Most of our agents spare us the embarrassment of refusing to make such contributions. To those who are occasionally tempted to drop one of these 'attractive' opportunities in our lap, we can only say that if we honor one of them we are in fact honoring all for we cannot play favorites."

PERSONAL SIDE OF THE BUSINESS

The Continental has presented H. J. Drane, Lakeland, Fla., agent, a bronze clock "to commemorate 50 years of honorable and loyal representation." President B. M. Culver writes Mr. Drane that he fully subscribes to the inscription on the clock.

Walter C. Libbey, assistant production manager Aero Insurance Underwriters, and Elizabeth Phelan of Lynn, Mass., were married July 25 at West Englewood, N. J. William A. Blain, Aero underwriter, and Dorothy Canna of Amsterdam, N. Y., were married at Amsterdam July 19. At a party held at the New York office each of the prospective bridegrooms was presented a silver tray and a pair of silver candlesticks.

An insurance agent is never too old to learn new angles of the business, thinks R. Lilljeblad, International Falls, Minn., 71, who announced this week that he will fly to Rochester, Minn., in September to attend the annual meeting of the Minnesota Association of Insurance Agents. Although he has been a local agent at International Falls for some years and has been more or less active in local board affairs, Mr. Lilljeblad never has attended a state association meeting. But after hearing an outline of the program to be put on at Rochester, the veteran agent promptly announced that he would attend.

Edward S. Foltz, who retired as superintendent of the loss department of the American, is now at 1421 Camp avenue, Rockford, Ill.

Harry S. Norton, superintendent of agents in the western department of the American, is seriously ill in a Rockford, Ill. hospital. He was connected with the old Rockford and then went with the American, being continuously in its employ. He was formerly state agent in Wisconsin and at one time was manager of the city department of the Rockford. He has been connected with the American for 50 years.

R. P. Littlejohn, Marshall, Tex., local agent, recognized as the nestor of insurance men of east Texas, was surprised on his 90th birthday, when caterers came into his office and set up tables for a luncheon. He at first objected to being interrupted in the middle of a busy day but quit work and joined in the celebration when friends started drop-

ping in to congratulate him and to eat with him. Mr. Littlejohn is an active member of the Texas and National Associations of Insurance Agents and many company men from Dallas were present at the surprise party.

In the current issue of the Loyalty group house organ, Miss Constance Sue Budlong, daughter of T. W. Budlong, advertising and publicity manager, has a well written article on "Loyalty." She describes it as a necessary part of a man's relationships. The young girl is a member of the class of 1944 of Sweet Briar College, Sweet Briar, Va., and is a very talented young woman. She concludes her article with this observation: "With its deep rooted background, loyalty has a necessary part of man's everyday relationships in life should endure as long as man himself."

Mrs. Mary Fletcher, formerly field secretary of the old Insurance Federation of America, and who is well known to insurance men throughout the country, is now connected with the Michigan Tourist Bureau with headquarters in Detroit. After the Insurance Federation national office in New York was disbanded, Mrs. Fletcher returned to her Detroit home. She has a son living there and she is the proud possessor of a grandson. Last week at Mackinac Island Mrs. Fletcher was prominent in the three-day festival that was staged there with a historic pageant.

R. W. Forshay, Anita, Ia., vice-president National Association of Insurance Agents, stopped briefly in Chicago last week on his way home from the east. He conferred with Allan I. Wolff, past national president.

DEATHS

A. B. Paschall, 52, Nashville manager of Travelers Fire, died after a heart attack. He had been with Travelers 10 years and with Continental 10 years prior to that. He was a field artillery captain in the first world war. Members of Tennessee Fire Underwriters Association served as pallbearers at his funeral.

Rolf S. Ewald, head of the S. F. Ewald agency, Wytheville, Va., died at his home there. He would have com-

THE NATIONAL UNDERWRITER

PUBLISHED EVERY THURSDAY

Published by THE NATIONAL UNDERWRITER CO., Chicago, Cincinnati, New York. PUBLICATION OFFICE, 175 W. Jackson Blvd., CHICAGO. Telephone Wabash 2704

EDITORIAL DEPT.: C. M. Cartwright, Editor. Levering Cartwright, Managing Editor. News Editors: F. A. Post, C. D. Spencer. Associate Editors: D. R. Schilling, J. C. O'Connor, Kenneth Force.

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Subscription Price \$4.00 a year (Canada \$5.00). Single Copies, 20 cents. In Combination with Life Insurance Edition, \$5.50 a year (Canada \$7.50). Entered as Second-class Matter April 25, 1931, at Post Office at Chicago, Ill., Under Act, March 3, 1879.

pleted 40 years in the insurance business in September and company representatives were planning to give a dinner in his honor at that time. The agency, founded by his father, S. F. Ewald, has been in continuous operation more than 50 years. The business will be carried on by his son-in-law, John A. Lester. Until two years ago when his health began to fail, Mr. Ewald was a regular attendant at conventions of the Virginia Association of Insurance Agents.

R. H. Gardner, 73, of the Gardner, Clarke & Sullivan agency, Oklahoma City, died suddenly from heart trouble. E. W. Clarke, president of the Oklahoma City Insurers Exchange, has charge of the insurance end of the business.

P. R. I. Pine, pilot officer in the Royal Canadian Air Force, is reported missing in combat overseas. He enlisted in the air force in June, 1940. Previously he was in the underwriting department of Royal Exchange in New York. Mr. Pine was born in London in 1918, was educated in English schools and came to the United States when he was 16.

T. M. Langton, 69, head of the Langton Insurance Agency, Dubuque, Ia., died there, following a year's illness. He organized the agency in 1912, with his brother, the late Al Langton.

B. L. Whorf, 44, assistant secretary of Hartford Fire and a nationally known expert on the ancient Mayan and Aztec civilizations, died at his home in Wethersfield. He was graduated from M.I.T. in 1918 and joined Hartford Fire a year later. He has been an inspector and engineer in the eastern territory ever since. He was made special agent in 1929 and assistant secretary last December.

Mr. Whorf's work in studying the ancient civilizations drew wide notice. He was appointed an honorary fellow in anthropology at Yale in 1936 and then received the Sterling Fellowship at Yale in 1937.

James A. Magner, 65, who had been active for over 30 years in the insurance business, died in Chicago. He was for nearly 25 years a member of the general agency of Meeker-Magner in that city of which his brother, Thomas J., was one of the founders. For the past several years he had been operating as an independent broker with the office of Wiley, Magill & Johnson, also of Chicago.

A. J. Mason, special agent of the Demott-Schweitzer Agency in Brooklyn for four years, died there from after-effects of an appendectomy a month ago. Before joining the agency he was with the Brooklyn office of Aetna Casualty.

Leon J. Mayo, 49, in the insurance business in Windsor, Vt., for 20 years, died there.

Mrs. Joseph Porth, 44, wife of Hugo Porth, partner in Ed Porth & Sons, Milwaukee agency, died in a hospital there.

John B. Maserang, 70, Granite City, Ill., local agent, died at his home from heart disease.

Bigelow Goes to Michigan

NEW YORK—Donald N. Bigelow, in the inland marine department of North British & Mercantile here for some time, has been appointed Michigan special agent in the inland marine division.

National Union Extra Dividend

Directors of National Union Fire have declared a dividend of \$1.50 per share and an extra dividend of \$1, both payable Sept. 2 to stockholders of record Aug. 11.

The Insurance Check Chart helps to detect hazards. Get a copy for 75 cents from National Underwriter.

WANTED

Fire Protection Engineer, not over 35, Analytic Rating and some Sprinkler Protection experience for limited Indiana inspection work and underwriting training. Need personality and initiative. Give salary expected and previous experience. Address N-75, The National Underwriter, 175 W. Jackson Blvd., Chicago, Ill.

STOCKS

By H. W. Cornelius, Bacon, Whipple & Co., 135 So. La Salle St., Chicago, at close of business July 28, 1941.

	Par	Div.	Bid	Asked
Aetna Cas.	10	4.50*	130	135
Aetna Fire	10	1.80*	57 1/2	60
Aetna Life	10	1.40*	28 1/2	30 1/2
Amer. Alliance ..	10	1.20*	23	24 1/2
Amer. Equitable ..	5	1.00	20	22
Amer. Home	10	...	6	7
Amer. (N. J.)	2.50	.60*	13 1/2	14 1/2
Amer. Surety	25	2.50	50	52
Automobile	10	1.40*	37 1/2	39
Balt. Amer.	2.50	.40*	7 1/2	8 3/4
Bankers & Ship ..	25	5.00	98	101
Boston	100	21.00*	612	625
Camden Fire	5	1.00	21	22 1/2
Carolina	10	1.40*	28	30
Contl. Cas.	5	1.50*	33	34 1/2
Contl. N. Y.	2.50	2.00*	42	44
Fidelity-Phen.	2.50	2.00*	41 1/2	43 1/2
Fire Assn.	10	2.50*	69	71
Firemen's (N.J.) ..	5	.40	9 1/2	10 1/2
Franklin Fire	5	1.40*	31 1/2	33
Gen. Reinsur.	5	2.00	43	45
Georgia Home	10	1.20*	25	27
Glens Falls	5	1.60*	44	46
Globe & Repub.	5	.50	10	11
Gt. Amer. Fire	5	1.20*	28	29 1/2
Gt. Amer. Ind.	1	.20	10	12
Hallifax	10	1.00**	11	12
Hanover Fire	10	1.20	28	29 1/2
Hartford Fire	10	2.50*	90 1/2	94
Home Fire Sec.	10	...	1 1/2	2
Home (N. Y.)	5	1.60*	32	34
Ins. Co. of N. A.	10	3.00*	77	79
Maryland Cas.	1	...	3 1/2	4 1/2
Mass. Bonding	12.50	3.50	64	66
Mer. (N.Y.) Com.	5	2.00*	51	54
Natl. Cas.	10	1.00	26 1/2	28 1/2
Natl. Fire	10	2.00	64	67
Natl. Liberty	2	.40	8 1/4	9
Natl. Un. Fire	20	5.00*	156	160
New Amst. Cas.	2	.85	18 1/2	19 1/2
New Hampshire	10	1.80*	46 1/2	48
Northern (N.Y.)	12.50	5.00*	102	106
North River	2.50	1.00	25 1/2	27 1/2
Ohio Cas.	5	1.20*	38	40
Phoenix Conn.	10	3.00*	90	93
Preferred Accl.	5	.80	16	17
Prov. Wash.	10	1.40*	36	38
St. Paul F. & M.	62.50	8.00	246	253
Security, Conn.	10	1.40	37 1/2	40
Sprngd. F. & M.	25	4.75*	123	126
Standard Accl.	10	2.50	50 1/2	52 1/2
Travelers	100	16.00	395	415
U. S. Fire	4	2.00	52	54
U. S. F. & G.	2	1.00	24	25

CALLED TO SERVICE

J. M. Shields, an adjuster with the Los Angeles office of the Fire Companies Adjustment Bureau, has been ordered to report for army service at San Diego.

W. P. Hill, Jr., is training to become an aviator. His father is secretary of the Virginia Fire & Marine.

John S. Foard, suburban special agent for Hatcher & Corbett, managers of the middle department of the Rhode Island, has been called into navy service. His permanent assignment may not be known for some time since his coast-wise sailing experience may result in assignment to special work.

B. D. O. Booklet Revised

The 1941 supplement to "Facts and Comments Regarding Sound Insurance" is now available and is being distributed to local agents and company employees who are listed to receive the publication, it is announced by M. W. Mays, director of the Business Development Office.

In addition to the usual up-to-date information on operations of non-stock carriers, there are several new and interesting sections. There is a discussion of self-insurance and of the various minimum requirements which a self-insurance plan must meet. There are also studies of the agent's commission and of the premium dollar.

Another new feature is a section dealing with the public and insurance, which is an appraisal by leaders in the professions, science and industry of capital stock fire insurance and the many services the stock companies are rendering for the benefit of the public.

Seeks Opinion on HOLC

COLUMBUS—The Ohio department has asked the attorney-general for an opinion as to the legality of the HOLC-SCA contract. The department says neither the HOLC nor the SCA and

Atlantic Mutual to Form Centennial, Stock Carrier

NEW YORK—The Atlantic Mutual announced it intended to organize the Centennial Insurance Company, a stock carrier to write fire and marine business. Its stock will be wholly owned by Atlantic Mutual. The name is adopted in commemoration of the 100th anniversary of the parent company.

Assigned Auto Risks Are Discussed in New York

NEW YORK—After hearing the opinion of stock and nonstock casualty companies' officials and representatives of agents and brokers as to the plan tentatively prepared for handling the assignment of automobile risks under the New York financial responsibility law, at a conference in the department office here, the matter was referred back to a joint committee for further revision. This committee is composed of two stock and two mutual managers.

Discussion centered largely around the method by which the surcharge would be collected. A suggestion was made that it be handled through the assigned risk bureau. The agents held out for payment of full commission on assigned risks. However, it is likely they will be allowed 10 percent on private pleasure and commercial cars and 5 percent on public passenger cars.

some of the companies composing it are licensed in Ohio. Question is raised as to the legality of the agreement to pay the agents 20 percent commission and for the companies to return certain sums for the HOLC.

Get more casualty business. Send \$1.50 for year subscription to Casualty Insurer, 175 W. Jackson Blvd., Chicago.

Public Must Watch Out for Itself in Blackout

English courts are taking the common sense view that blackouts are so much a part and parcel of every day life under war conditions that people in most cases have themselves to blame if injured by tripping over sand bags and the like. According to "The Review," London insurance paper, an English court recently held for the defendant in the case of a woman suing a corporation for damages for alleged negligence and nuisance. The corporation had erected a stack of sand bags to cover a ground level public air raid shelter. The plaintiff had been to her hairdresser, arriving at 5:30 when it was not quite dark. On leaving at 7:30 she came into violent collision with the barrier and injured her eye. The finding was for defendant and the court of appeal has upheld that decision on the ground of contributory negligence. The court said that the plaintiff should have stood still or walked slowly until accustomed to the darkness.

Checkup on Liability Cover Needs

Although every business where customers call needs liability insurance protection, there are some where the need is more apparent. Hardware stores usually have extensive stock and it is common to keep fencing and such bulky items in the basement or in the back of the store where shipments are received, thus exposing the customer to many hazards. Garage customers usually walk around the shop when they bring their cars in for repairs. A community checkup by the agent will reveal many such insurable situations.



Plug No. 19

July 1941

NATIONAL DEFENSE THROUGH FIRE DEFENSE

The National Board of Fire Underwriters, celebrating now its 75th year of fire prevention work, has placed all of its facilities at the disposal of the government during this national emergency.

Every effort should be made to
Avoid loss by fire

Reduce the hazards of fire

Protect the businessman and
property holder against financial
misfortune by proper and
complete insurance coverage.

**FIRE ASSOCIATION OF PHILADELPHIA
LUMBERMEN'S INSURANCE COMPANY
THE RELIANCE INSURANCE COMPANY
PHILADELPHIA NATIONAL INSURANCE CO.**

401 WALNUT STREET, PHILADELPHIA

FIRE, MARINE and AUTOMOBILE INSURANCE

EMPLOYERS REINSURANCE CORPORATION

HOWARD FLAGG . . . PRESIDENT

REINSURANCE OF CASUALTY, FIDELITY AND SURETY

HOME OFFICE—KANSAS CITY, MISSOURI
BRANCH OFFICES — NEW YORK — CHICAGO — LOS ANGELES — SAN FRANCISCO

The NATIONAL UNDERWRITER

July 31, 1941

CASUALTY AND SURETY SECTION

Page Eleven

Compulsory P. L. on All Planes Urged in Report to CAB

Underwriters Dubious Since Government Would Set Maximum Rates

NEW YORK—Public liability insurance would be compulsory for practically all airplanes from the largest transport ship to the smallest owner-piloted plane if recommendations contained in a 500-page report submitted to the Civil Aeronautics Board by E. C. Sweeney, attorney in charge of staff investigation, are followed by Congress. While the effect of such legislation would be to boost aviation insurance premiums greatly, underwriters look on the plan with a dubious eye. They feel it might be open to many of the objections which have characterized compulsory automobile insurance in Massachusetts, particularly since the proposal calls for government control of maximum premium rates.

Mr. Sweeney, however, feels that his proposal would work out more like the public liability insurance which is required on interstate trucks by the Interstate Commerce Commission, on which he contends experience has been satisfactory. Truck underwriters agree that the compulsory angle has had no bad effect on the experience on interstate trucks, but point out that the I.C.C. has no control over insurance rates. Under Mr. Sweeney's plan the law itself would not require the carrying of insurance but would leave up to the federal regulatory agency the adoption of a ruling requiring liability insurance if, after a thorough investigation, this course seemed advisable. Self-insurance or filing of surety bonds would be permissible alternatives to insurance under the proposed act.

Wants Liability Limited

In connection with his compulsory insurance proposal Mr. Sweeney would like to see a schedule of limitations on liability in all cases where the federal government's commerce power could be held to give it the right to fix these limits. As in workmen's compensation, the claimant, though limited as to amount recoverable, would not have to prove negligence or fault on the part of those responsible for the plane's operation, except where the claimant went voluntarily on a landing field or rode as a guest in any type of plane other than one being operated on a scheduled air line.

A guest, being presumed to accept the hazards of the trip, would have to prove gross negligence or willful misconduct. Airline passengers would not have to prove negligence and the burden of persuasion would be on the operators to

(CONTINUED ON PAGE 18)

Van Orman Named to Succeed Guilfoil

New Bankers Indemnity Vice-president, General Counsel, Well Equipped

Bankers Indemnity has appointed Francis Van Orman to succeed the late Paul H. Guilfoil as vice-president and general counsel.

Mr. Van Orman was born 38 years ago in New York City but has been a resident of New Jersey since early childhood. His present home is in Short



FRANCIS VAN ORMAN

Hills, N. J. He was educated in the public schools of Rutherford, N. J., and Dartmouth College, taking his law degree from New York University law school in 1927.

In 1925 he was employed by Fidelity & Casualty as a legal investigator. Two years later he joined the Travelers claim department in New York, and in 1929 he became attorney of record for the American Automobile of St. Louis. He joined the Bankers Indemnity in New York in a similar capacity in 1934. He has had a broad experience not only in the investigation and adjustment of casualty claims and suits and claim department administration, but enjoys a very favorable reputation as a trial attorney as well.

He is a member of the New York bar and of the American Bar Association insurance section.

Requires Assigned Risk Deposit

RICHMOND—Under an order entered by the Virginia corporation commission, applicants for automobile liability insurance under the assigned risk plan adopted a few months ago will have to make a deposit of \$15 with the Virginia Automobile Rate Administrative Bureau, to be used for investigation of the application. If the risk is accepted, the deposit will be deducted from the insurance premium. If rejected, the unused portion will be returned.

Sharp Industrial Accident Increase

Underwriters Optimistic, However, Though Watching Situation Closely

Sharply increasing industrial accidents in the first six months of 1941 have attracted attention of underwriters focused on workmen's compensation premiums and losses. Insurance men continue to be optimistic, since premiums so far appear to be at least keeping pace with losses. However, as more pressure is applied, particularly by government, for greater speed in production, it is possible that losses may get out of control.

Wisconsin Figures

Drastic increases in industrial accidents in Wisconsin are reported by the state industrial commission. For the first six months the number increased 28 percent over the same 1940 period, although employment increased only nine percent. The defense program is the important factor responsible, commission engineers state. Demand for increased output has resulted in hiring inexperienced workers and men less physically fit. Overcrowded conditions in factories, fewer inspections despite an increase in the number of employees, putting obsolete machines back into operation, overfatigue from long hours, short cuts to speed up piece work to increase income, and multiple shifts with less checking of machines are other causes listed.

In Illinois there were 37,697 "closed cases" in 1940, for a total payment of \$8,369,060. This compares with 31,596 and \$6,882,097 in 1939, but is not far from the 42,069 cases and total payments of \$8,216,475 in 1937, a good industrial year.

It is estimated that the frequency of accidents has increased more than 30 percent for the United States as a whole.

Severity and Frequency Up

While the defense program didn't begin to function to any great extent until last September, 1940 figures of the National Safety Council show that the effect on the entire year's experience was considerable and significant. In the shipbuilding industry, for instance, manual exposure (payroll) increased 60 percent, resulting in a 20 percent increase in frequency and a 20 percent increase in severity. In the machine tool industry the 1940 figures were a 36 percent gain in manual exposure, resulting in a 49 percent increase in frequency and a 52 percent increase in severity.

Frequency usually goes up first, with severity following. Some offices report quite an increase in medical claims, with not so great an advance in the volume of claims for compensable injuries. One factor in this regard is the high morale among workers. Wages are good and workers receiving minor injuries take medical treatment and go back to work, not seeking compensation.

In many small plants employment is up 200 to 300 percent; there are new processes and an expanded use of chem-

(CONTINUED ON LAST PAGE)

Insurance Lawyers Committee Approves N. H. Type Auto Law

Counsel Federation Treats Legal Angles of Business at Rally

SARANAC LAKE, N. Y.—Financial responsibility laws as enacted in New York or New Hampshire are more desirable as a solution to the automobile accident problem than compulsory insurance, the compulsory auto insurance committee of the Federation of Insurance Counsel reported at the latter's convention here. The conclusion followed an extremely thorough examination of the two types of state laws. Chairman of the committee is R. H. Matthias of Ekern & Meyers, Chicago.

The Federation elected Henry B. Walker, Evansville, Ind., president, succeeding H. B. Rollins, Baltimore. The six vice-presidents elected are Russell H. Matthias, Chicago; Henry S. Moser, Chicago; Charles A. Noone, Chattanooga, Tenn.; Harley McNeal, Cleveland; J. P. Mudd, Birmingham, Ala.; and Michael T. Pendergast, Boston. Three were added to the board of governors: Mr. Rollins, C. M. Smith, New York, and Glenn Dougherty, Milwaukee. The new officers were installed at the annual banquet Tuesday evening.

Broader Effect

By fitting financial responsibility laws to the territory and particular circumstances of each state, more real protection is afforded the public at less cost to both the public and the motorist than under any other type of protective legislation, the Federation's committee on compulsory automobile insurance reported. The freedom of company operations is maintained and the law is directed toward the irresponsible driver and his elimination rather than toward providing compensation for the injuries or damages he might cause. Provisions of these laws provide for a correction of the cause rather than a cure of the result.

Compulsory insurance, in effect in Massachusetts since 1927, has neither lowered the accident rate nor eliminated the dangerous and irresponsible driver, the report continued. While injured persons are compensated for injuries, the cost of such benefits is too high compared with other plans.

The plan has resulted in an increased claim frequency out of proportion to the claim frequency in surrounding states. It has encouraged claims, particularly for small amounts, which has caused congested court dockets. Since court costs average about \$100 a day, the increasing expense to taxpayers is considerable. Rates are not in proportion to territory nor to hazard. Consequently, rates have been increased for both the undesirable and the desirable driver.

Property damage not being covered,

the act encourages the exaggeration and falsification of personal injury claims in order to obtain compensation for property damage. The law places an unnecessary burden upon insurance companies in administration problems. Since policies terminate with the license, periodical congestion results.

On the other hand, results from financial responsibility laws are a great deal better. Following enactment of such laws accident have decreased. Motorists treat accidents in a more serious light since they know they may be burdened financially or may be refused insurance and therefore the privilege of using the highways. Such laws not only compensate the public for injuries but prevent such injuries. Trivial claims are not encouraged but are assumed by the injured party.

The committee report dealt also with the Marx plan, which provides for payment of losses much on the order of compensation losses, irrespective of the cause of the accident.

Medical Compensation

A form of medical compensation similar to the Marx plan is in effect in Ohio, and Oregon passed a medical compensation plan in 1940 providing for appropriation from the license fund to pay hospital charges of injured parties. The Ohio bill provides that 19 cents of such automobile license fee shall be paid into a separate fund to be used to pay the hospital charge of persons injured in automobile accidents. Responsibility or liability for the injury does not affect payment. The injured person to have his hospital charges paid from this fund need only prove his inability to pay them. The average annual appropriation to this fund has been \$300,000. Approximately 14,000 claims have been filed altogether, about 12,000 paid for with a total disbursement of some \$1,500,000.

This act and bills providing for similar acts have naturally received strong support from hospitals and medical associations. The cost of such a plan is out of proportion to the benefits derived and is placed equally upon the habitually careless and careful driver, the committee states. The plan, being under state control, is subject to all of the vices of political control as well as being a strong step toward state insurance which the committee condemns.

Mr. Matthias in his talk spoke against compulsory insurance.

Favors Compulsory

If the compulsory automobile law in Massachusetts is repealed, Frank P. Ryan, Worcester, Mass., attorney, predicted that a state fund would ensue. He also suggested that state authorities might eliminate agents' commissions to get the cost down. Discussing the favorable side of compulsory insurance, Mr. Ryan said that after 13 years of operation in Massachusetts most of the criticism of it is negative.

Desirability of resistance to nuisance value claims is based usually upon the defense of contributory negligence, said Joseph H. Weir, Ohio Casualty. This defense still prevails in more than 85 percent of the states. These states have failed to consider or have rejected the doctrine of comparative negligence, and defense costs in them, not considering the actual cost of trial, are generally limited to filing of an answer, some investigation and possibly adverse or discovery examination.

The defense of contributory negligence is not an unproved modern theory reduced to statutory form, but is a common law rule developed during an era in which a conception of rugged individualism was accepted as natural and desirable. Mr. Weir wondered what proponents of comparative negligence have to say about a system that will permit one party to the action, who is just a hair's breadth from equality of fault, to recover 51 percent of his damages from the other party.

The increasingly heavy burden of nuisance value payments under this new doctrine is generally conceded and is only one step away from embracing the

Two Named on Hartford Faculty



BERNARD FLAXMAN

Bernard Flaxman and H. M. Bromage have been appointed to the faculty of the Hartford College of Insurance, H. S. Don Carlos, president, stated. Mr. Flaxman, assistant secretary of Hartford Fire and Hartford Accident, will teach the insurance investments course, and Mr. Bromage, of the Aetna Casualty agency department, will teach the accident and health insurance course and classes in burglary, plate glass, and other miscellaneous lines.

Mr. Bromage, Ph.B., Brown University, 1933, was for four years on the faculty of Engle High School, Thomp-



H. M. BROMAGE

sonville, Conn., teaching social studies, then became associated with Aetna Casualty and is a graduate of its casualty sales training course. He is engaged now in educational work with that company.

Mr. Flaxman, B.A., Syracuse University, 1922, became associated with Standard Statistics Company, New York, engaged in studying fundamental business indexes and publishing statistical bulletins. In 1924 he became associated with the investment department of the Two Hartfords as statistician, and in 1937 became assistant secretary.

Ohio State Association Will Meet in Cincinnati

W. B. Cornett, Columbus, executive secretary Ohio Accident & Health Association, announced that its annual meeting will be held in Cincinnati, Oct. 31. The Cincinnati association will be host.

The morning will be devoted to a business session of the executive committee. The afternoon will be given to a sales congress. The convention will close with a banquet Friday night.

The state association will give consideration to changing its name to the Ohio Association of Accident & Health Underwriters and also the adoption of a new constitution. New officers will be elected and installed.

Jack Eggers, president of the Cincinnati association, has appointed W. R. Dignan of the W. E. Lord Co. as general chairman and Cliff Gurney, Mutual Benefit Health & Accident, as vice-chairman.

Illinois Bills Are Signed

The bill which specifically excludes insurance agents, including industrial life and accident and health agents, from application of the unemployment compensation act in Illinois was signed by Governor Green. The governor also signed the retaliatory bill, giving the insurance director authority to disapprove the license of a company domiciled in a state unreasonably refusing to license an Illinois company.

The agreed bill providing a 10 percent increase in accident and occupational disease death benefits was signed by the governor.

Governor Green vetoed a bill which would have prohibited corporations setting a price and closing a contract then tacking on extra charges. This was not aimed particularly at insurance companies but was amended to include them.

The Insurance Check Chart helps to detect hazards. Get a copy for 75 cents from National Underwriter.

Companies Sue Jones, Ill., in Lloyds Matter

Seventeen casualty and surety companies have filed suit in the circuit court at Springfield, Ill., against Insurance Director Jones, charging discrimination in permitting underwriters of London Lloyds to transact business in the state. The companies' petition states that Lloyds is not required to maintain the same amount of assets in Illinois as the other companies.

The companies started two actions in 1938 against Lloyds. One asked a writ of certiorari, the other was a quo warrant proceeding. The latter action was won by Lloyds. The insurance director answered the former petition, and the case has rested there.

Claim Men Hear Bar Official

ATLANTA—Judge Frank D. Foley of Columbus, Ga., president Georgia Bar Association, who was to have addressed the Atlanta Association of Claim Men, was taken ill and Grover Middlebrooks of Atlanta, vice-president of the bar association, took his place. He discussed the lawyers' organization and its plans for a campaign for larger membership.

C. L. Daughtry, president of the claim men's organization, presented code of ethics prepared by the executive committee, which was adopted.

Cal. Retrospective Affidavit

SAN FRANCISCO — Commissioner Caminetti has approved a form of affidavit to be executed and filed by employers electing to come under the provisions of the retrospective rating plan for workmen's compensation. This affidavit, which must be executed and filed with the California Inspection Rating Bureau, states the employer does not now have and has no intention of purchasing in the same or any other company, insurance against possible penalty premium.

The matter came up when the commissioner in June advised the bureau that issuance of stop-loss policies would in effect break down enforcement of the minimum rate law of California and that such policies were subject to his approval as to form and rate. He requested the bureau to prepare an affidavit of adherence.

Big Bond on Military Airport

LOS ANGELES—Aetna Casualty, Fidelity & Deposit, U. S. Fidelity & Guaranty, Maryland Casualty and Standard Accident, through their Los Angeles offices, have executed a 50 percent payment and 40 percent performance bond to the U. S. government on a \$1,878,061 contract for construction of the Mesa military airport two miles outside Higley, Ariz. The contractors are: Pearce & Dickerson, Prescott, Ariz.; J. A. Casson, Hayward, Cal.; Oswald Bros., Los Angeles; Lee More Contracting Co., El Paso, Tex.; Tanner Construction Co., and Phoenix-Tempe Stone Co., both of Arizona.

Death from Gas Poisoning

The Mass. supreme judicial court upheld the lower court in finding for the company in Estabrook vs. Eastern Commercial Travelers. The policy provided that no indemnity would be paid in event of injury or death "caused wholly or in part, directly or indirectly, by gas." The insured died from gas poisoning, the gas escaping from an open jet in the room where the body was found.

Plaintiff contended that the policy did not intend to exclude coverage except where gas was intentionally inhaled. The higher court holds that the policy must be construed to except all injuries or death caused by gas, regardless of intent.

"Why Disability Insurance Is a Good Investment for You" booklets help sell accident and health. 100 copies \$2. Order from National Underwriter, 175 W. Jackson Blvd., Chicago.

Need Medical Knowledge

More medical knowledge by attorneys trying compensation cases was strongly urged by Dr. S. M. Lindenbaum, consulting analyst and hearing representative in workmen's compensation claims. This is one of the greatest needs in the legal fraternity, and he suggested that the Federation of Insurance Counsel sponsor, through its membership, educational courses that will answer the problem.

In the fire insurance field one of the most important movements is education of men who will operate companies and agencies in the future, Alfred M. Best of the publishing house that bears his name told attorneys. There will be fewer and better agents as time goes on; there will be fewer companies.

Mr. Best does not expect any substantial increase in capitalization of fire companies. (CONTINUED ON LAST PAGE)

Travelers Bill Is Vetoed by Gov. Green in Illinois

Governor Green of Illinois has vetoed the "Travelers bill," apparently as the result of an opinion by the attorney-general, holding that the bill was discriminatory. The bill would apply only to the Travelers. Former Insurance Director Ernest Palmer had written the legislature opposing its passage.

The bill provided in effect that companies transacting life, accident and other types of business for 10 years under the same charter should have authority to continue to do so. Travelers writes life, accident and health, workmen's compensation and public liability lines.

The Illinois insurance code, which became effective July 1, 1937, provided that a company writing life, accident and health could not write other types of insurance under one charter. A company that had been so doing, however, was given a maximum period of six years in which to adapt itself to the new regulations, a three-year grace period plus renewal for three years at the discretion of the insurance department. This means that Travelers would have at most until 1943 to get in line.

The Travelers has been rearranging the flow of its business ever since the insurance code went into effect so that compensation and liability would go through Travelers Indemnity. It reports this business through the Travelers in all states except Illinois so that Illinois is the only territory in which its regular procedure differs.

The company might attempt to secure passage of the bill again in two years, when the legislature will hold its next regular session, or it might take some court action to determine the matter. The latter course is regarded as unlikely.

Aetna Life, which originally was set up on the same basis as the Travelers, completed a switchover a few years ago.

Governor Green's veto may force Travelers to organize Travelers Life Insurance Co., which was authorized at the recent session of the Connecticut legislature, according to the Hartford "Courant."

Claims Bureau Started at St. Louis for Central West

NEW YORK—For the more effective investigation of fraudulent casualty claims throughout the central west, a field office of the claims bureau of the Association of Casualty & Surety Executives has been established at St. Louis, in the Shell Building, 1221 Locust street. With N. Morgan Woods as special agent in charge, assisted by H. D. Bray, the new divisional office will start functioning Aug. 15. Its field of operations will cover Missouri, Kansas, Arkansas, and the state of Illinois south of the counties of Adams, Brown, Cass, Menard, Logan, Macon, Piatt, Champaign and Vermilion.

Mr. Woods has been connected with the claims bureau since February 1940, working from its Atlanta office. Earlier he had been associated with the investigation division of various federal branches.

Write Bond on Big Bombing Range

LOS ANGELES—The U. S. Fidelity & Guaranty Los Angeles branch has written the payment and performance bond on the Muroc bombing range in Muroc Dry Lake, Cal., the contract for which was awarded P. L. and E. P. Ferry, Haines Canyon Materials Co., and Sanker Pearson. The contract price is \$1,300,000.

It has also executed the bond for the Wire & Metal Manufacturing Co. on contract for automobile license plates ordered by the California motor vehicle department for 1942 and 1943 at a price of \$502,092.

New Assistant Secretary Works on New Lines

Charles A. Gustafson, new assistant secretary of American States, has been engaged since last October in developing casualty for the company. The new lines will include workmen's compensation, occupational disease, general liability, burglary and glass insurance. Mr. Gustafson has brought his 12 years experience as an underwriter with Standard Accident to bear on the problems arising.



Charles A. Gustafson

The writing of the additional lines will be commenced shortly and confined to Indiana at least for the first year.

Which Liability Policy Covers? Ohio Court Case

COLUMBUS.—The Ohio supreme court decided another case of two liability carriers protecting the same assured fighting as to which should cover an accident. It held Trinity Universal, which wrote automobile insurance for Malec & Marek Dairy of Cleveland, liable for an accident caused by the assured's truck on the premises of the assured, and General Accident, which wrote liability coverage on the premises, liable only as an excess insurer.

General Accident's policy did not exclude automobile accidents, but covered only the assured's premises and provided that it should be excess over any other insurance. Trinity Universal's policy provided that it should pro rate with other insurance. Following a claim for death of a member of the public struck by a delivery truck on the premises, Trinity Universal brought a declaratory judgment action to clarify the coverage. The lower court held Trinity Universal primarily liable, with General Accident liable only for any excess judgment above the amount of Trinity Universal's coverage. The court of appeals reversed this and held that liability should be pro rated, but the supreme court upset the second holding and reinstated the decision of the lower court.

Cases such as this are frequently used by insurance men as arguments for carrying all liability insurance in the same company. Observers point out that in this case the assured was fortunate that it was decided in a relatively short time. The accident occurred in February, 1938, so it took less than 3½ years for a final decision. Some cases of this type on record have required as much as eight years from the date of the accident to the decision of a court of last resort.

Medical Care Groups Can Now Be Formed in Ohio

COLUMBUS—Under a bill passed by the Ohio legislature, non-profit medical care associations, along the line of the present hospital associations, can be set up. They will be under the jurisdiction of the Ohio department, which will conduct examinations for solicitors licenses in that field as well as for all other classes of insurance.

The only persons eligible for coverage under these plans will be individuals with maximum income of \$900 for the preceding six months or families with maximum of \$1,200. The bill requires at least six doctors for each 500 subscribers, with franchise to cease if number drops below this.

The Ohio Accident & Health Association fought the bill and got the minimum income reduced materially. It also secured a change to impose same tax scale on these corporations as on insurance companies.

It is not a state insurance fund. Doctors organize corporations and give

Veteran Head of Travelers Accident Department Dies



BERTRAND A. PAGE

Bertrand A. Page, 68, vice-president and director of the Travelers and veteran underwriter of more than 50 years in the accident insurance field, died suddenly at his home in West Hartford Wednesday.

He was born in Yalesville, Conn., and at the age of 14 entered the employ of the Travelers May 1, 1888. He was assigned to the railroad accident ticket department and became head of that department before he was 21. Subsequently he was placed in charge of the audit department and in 1901 was promoted to assistant secretary of the accident insurance department. Three years later he was advanced to secretary. He traveled extensively throughout the continent in the interests of his company's accident insurance business and became one of the best known figures in the insurance field.

Mr. Page was made a vice-president in 1912 and elected a member of the board of directors of the three Travelers companies in 1937. His 50th anniversary with the company in 1938 was the occasion of one of the greatest periods of accident insurance production in its history.

One of the Oldest Employees

In point of service, Mr. Page was one of the three oldest men in the Travelers organization. In addition to being in charge of accident business, he was also head of the group life, accident and sickness department, taking over that work in 1920, when group insurance, given impetus by the world war, began its phenomenal growth.

Public Liability Insurance Case Arising from Injury in an Infirmary Building

The Louisiana court of appeals, parish of Orleans, affirms the lower court in Lusk vs. U. S. Fidelity & Guaranty. Mrs. Catherine Luzette, widow of John Lusk, who brought the suit, sustained injuries in Touro Infirmary, falling on a newly waxed floor. She visited the infirmary with a sick friend and after seeing the latter placed in a ward, she fell on the corridor floor and was injured. She alleged unusual and unexpected slipperiness. She said she had no previous warning and charged negligence.

The U. S. F. & G. contended that the infirmary was a charitable institution which could not be held liable for the

service to subscribers, the insurance department issues licenses to corporations and supervise them.

Indiana, Minnesota Act on War Dept. Contract Rate Plan

INDIANAPOLIS — Commissioner Viehmann has ruled that additional automobile comprehensive liability classification should be made for use of automobiles in federal cost-plus-a-fixed-fee defense contracts.

After stating that the Indiana insurance law on fleets will govern if five or more vehicles are owned or under direct operating management of contractors engaged in defense projects, the ruling continues:

"Any insurer shall be permitted to make deviation and percentage discount from regularly published scheduled rates, rules and regulations only for the purpose of making insurance under a fleet policy as above defined and only on such motor vehicles used on said United States government defense construction project.

Countersignature Requirement

"If less than five automobiles of any kind are used on such United States government defense construction project the above classification and fleet designation shall not prevail."

All such policies must be countersigned by a resident agent licensed in Indiana and "all commission or commissions arising from placing such business shall be paid to resident agents licensed in the state of Indiana."

Policies written prior to June 23 may not be canceled or rewritten to take advantage of or avoid the application of these approved rates.

FAVORABLE OPINION IN MINN.

ST. PAUL—Providing it does not result in discrimination, the cost-plus-a-fixed-fee plan of the federal government for compensation insurance on defense projects may be approved by the Minnesota Compensation Insurance Board, E. J. Devitt, assistant attorney-general, has ruled. He said that "the plan, on its face, does not constitute a discrimination as a matter of law."

Pointing out that retrospective rating has already been approved in Minnesota, Mr. Devitt's opinion states that the war department plan is the same in principle and differs only in details such as the inclusion of other insurance lines. The board could be justified in deciding that defense projects may be rated as a special class, the opinion concludes.

torts of its agents or servants; that the accident was not caused by any negligence on part of agents or servants; that plaintiff was a licensee and not an invitee on the premises; that plaintiff was guilty of contributory negligence. The floor was being waxed at the time the plaintiff fell and although she testified she did not see any warning signs, there was positive evidence introduced by the U. S. F. & G. that such signs were present and that the infirmary was cleaning the floor as it was required to do and at a reasonable hour.

The court holds that the first defense interposed by the U. S. F. & G. is not tenable since plaintiff was not a recipient of the benefits of the charity and further because such defense is personal to the infirmary.

The higher court finds there was no negligence on part of the infirmary. The lower court's judgment dismissing the complaint is affirmed.

Increase Collision Rates

Farmers Mutual Automobile and General Casualty, both Wisconsin companies, have filed notice of an increase of from 10 to 15 percent in collision rates with the Wisconsin commissioner.

"Why Disability Insurance Is a Good Investment for You" booklets help sell accident and health. 100 copies \$2. Order from National Underwriter, 175 W. Jackson Blvd., Chicago.

ACCIDENT AND HEALTH

National Association Committees Named

New committees of the National Association of Accident & Health Underwriters have been announced by Clyde E. Dalrymple, Preferred Accident, Milwaukee, national president. In the general executive setup, George L. Dyer, Jr., Columbian National Life, St. Louis, will have general supervision of all committee activities and will supply the executive contact with the associate companies. Homer Bisch, National Casualty, Toledo, second vice-president, will be the executive member of the membership committee. C. A. Sholl, Globe Casualty, Columbus, O., third vice-president, will be chairman of the associate company committee.

Three committee chairmen who have done particularly outstanding work in the past year will continue at the head of their respective committees. Mansur B. Oakes, Indianapolis, will again head the education committee; Fred M. Walters, General Accident, Philadelphia, public relations, and J. H. Garneau, Hartford Accident, Hartford, speakers' bureau.

Aldredge Program Chairman

F. B. Aldredge, Occidental Life, Los Angeles, who set a record of such outstanding achievement as general chairman for the annual meeting in Los Angeles, will head the convention program committee. The committee on regional directors, which is to have an especially important part in the National association setup this year, is headed by F. Glenn Packwood, Massachusetts Bonding, Kansas City. W. B. Cornett, Loyal Protective Life, Columbus, formerly national president, is membership chairman.

Other Committee Heads

Other chairmen announced are: Business standards, Donald E. Compton, Provident Life & Accident, Chicago; by-laws, Walter M. Ivey, Monarch Life, Pittsburgh; law and legislation, Wesley M. Hammer, Metropolitan Casualty, New York; past national presidents, Dwight Mead, Pacific Mutual Life, Seattle; cooperation with U. S. Chamber of Commerce, E. H. Mueller, Pacific Mutual Life, Milwaukee; Accident & Health Insurance Week, C. Norman Green, Hoosier Casualty, Indianapolis; cooperation with Bureau of Personal Accident & Health Underwriters and Health & Accident Underwriters Conference, W. Franklin White, Royal Indemnity, New York; cooperation with National Association of Insurance Agents, Clay F. Lundquist, Fred S. James & Co., Chicago; cooperation with National Association of Life Underwriters,

Sidney Altman, Metropolitan Life, St. Louis.

Carlyle Beerman in New Post

Carlyle Beerman has become manager of the home office debit of the National Life & Accident. He has been manager of the casualty department, which was discontinued July 7. All casualty business now in force will be serviced by Mr. Beerman and his home office debit personnel. Assisting him will be D. R. Hawkins and Phil Lynch. Mr. Beerman was the associate of Vice-president T. L. Thompson, now retired, who for many years was head of the casualty department. When Mr. Thompson retired Mr. Beerman was made manager. He has been with the company 21 years. The casualty department embraced the commercial and monthly premium accident and health business.

Gets United Cas. N. Y. Business

The Empire State Mutual Life of Jamestown, N. Y., and Craftsman of Boston have worked out an agreement whereby Empire State is reinsuring the accident and health policies in New York of United Casualty of Westfield, Mass. Craftsman reinsured the business of United Casualty in 1940 but is not licensed in New York.

Hooper-Holmes Transfers

T. W. Abbott, who has been Chicago manager of Hooper-Holmes Bureau, has been transferred to Milwaukee to succeed Frank Conlon, who goes to St. Louis as manager. Mr. Abbott was with the Milwaukee office before he went to Chicago in 1938. Verne Forkel, who has been in the Chicago office for eight years, is now acting manager there.

Opens New Maine Agency

The Union Mutual Life has opened a new monthly premium accident and health agency for southeastern Maine with Harold A. Dunphy as manager. He has been manager of the renewal division of the life department at the company's home office in Portland.

Mulheran Named at Sioux Falls

J. G. Mulheran has been named district manager of North American Life & Casualty at Sioux Falls, S. D. A graduate of St. Thomas college in St. Paul, Mr. Mulheran helped work his way through school by selling insurance.

Matt to Continental Casualty

H. H. Matt, who has retired from the Minnesota insurance department, has joined the Continental Casualty in Chicago, being assigned to the accident and health department. He will handle legal matters in connection with the department but a great deal of his time will

be given to the preparation of policy forms, changes, etc. He will also have charge of submitting any changes or new forms to state insurance departments, he having been policy examiner in the Minnesota department.

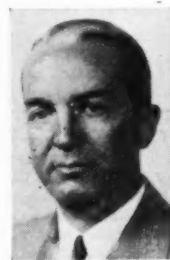
The Associated Hospital Service Corporation of Massachusetts, generally known as the "Blue Cross," has changed its name to Massachusetts Hospital Service.

CHANGES

A. H. von Thaden Joining Official Staff of Excess

WASHINGTON, D. C.—The U. S. Chamber of Commerce announces that A. H. von Thaden, manager of its insurance department, has become assistant to the president of the Excess of America, New York City, of which F. F. Wiggins was recently elected president.

Mr. von Thaden has been a member of the chamber staff since 1926. Prior to his affiliation with it, he was statistician for Commercial Casualty and before that, assistant statistician of Fidelity & Casualty. He studied at New York University and Lafayette College, and obtained his LL.B. from the Washington College of Law. He is a member of the District of Columbia bar.



A. H. von Thaden

Ranson to New Amsterdam

MILWAUKEE—Charles Ranson has resigned as president of the Pioneer General Agency, Milwaukee, representing the London & Scottish and Occidental, and will return to the east, joining New Amsterdam Casualty in Philadelphia with office and traveling duties. He will be succeeded by Everett Schmitz, formerly with Chris Schroeder & Son and office agent for U. S. Fidelity & Guaranty.

Mr. Ranson started in the insurance business in New York and then was in Columbus and Milwaukee for National Surety. About two years ago he became one of the founders of the Pioneer General Agency.

Mass. Bonding Fla. Appointment

The Massachusetts Bonding has appointed Strickland & Hardin, Jacksonville, as general agents for Florida, except for the agency of Stovall & Stovall at Tampa, which will continue to report direct to the home office as heretofore.

The Strickland & Hardin agency is one of the best known in the state, and has developed a large fire business. The casualty development it will now undertake will supplement its fire insurance activities.

Opens Office in Newark

The Trinity Universal of Dallas has opened an office in Newark, in charge of Robert Livingston, who will report to the Philadelphia office. Mr. Livingston formerly was with American Surety in Newark.

Riley Joins Indemnity of N. A.

The Indemnity of North America has appointed Howard G. Riley assistant

superintendent of the surety department at the home office. He has had ten years' experience in underwriting surety lines. He formerly was with the Standard Surety & Casualty of New York as assistant manager of its fidelity and surety departments. He is a graduate of Columbia University and a member of the New York bar.

Duluth Service Office Opened

The U. S. F. & G. is opening a service office at 404 Superior street, Duluth, with E. H. Bergren in charge. He has been city supervisor in Minneapolis. The Duluth office will service Duluth, Superior and northeastern Minnesota.

Farber Joins Parkerson

W. J. Farber, formerly assistant secretary and actuary of the Louisiana Casualty & Surety Rating Commission, becomes manager of the casualty department of the Parkerson General Insurance Agency at Lafayette, La. Mr. Farber has had a long and valuable training in the casualty field. His removal from his post with the Louisiana commission was purely political.

U. S. F. & G. Shows Increases

The United States Fidelity & Guaranty shows an increase in premiums for the six months of 13 percent. The item is \$20,191,000, an increase of \$2,362,000 over the corresponding period in 1940. The combined losses and expenses were 92 percent as compared with 100.5 percent for 1940. The assets are \$65,938,628 and surplus \$14,676,973.

Hovetter General Manager

The Pennsylvania Threshermen & Farmers Mutual Casualty of Harrisburg, Pa., has elected W. F. Hovetter as general manager. He succeeds the late Jacob A. Rose. H. M. Kauffman is president and J. G. Feinour, secretary.

Walker Made Assistant Manager

Ralph E. Walker, former field assistant in the casualty department of the Travelers' San Francisco branch office, with headquarters at Sacramento, has been promoted to assistant manager there.

Henry F. Pierce, from the Travelers home office, has joined the Kansas City branch, R. H. Hawley, manager, serving as casualty special agent in southeastern Kansas.

The Hartford Accident has planted in the Boswell & Curtis agency, Richmond, Va., which formerly represented New Amsterdam Casualty.

Publicizes Driver Reward

M. D. Pepperman, Montgomery, Ala., agent, put an advertisement in the daily papers stating that his office had compiled a list of private passenger automobile policyholders who received checks from the agency as a reward for good driving for the 12 months ending July 1. He found that 94 out of every 100 cars insured in his agency were not involved in an accident and received the reward. This, he says in the advertisement, "is a grand tribute to the intelligence, efficiency and character of our clientele."

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NEWS OF THE CASUALTY COMPANIES

Buckeye Union Has Substantial Gains

Substantial gains the first six months are reported by the two Buckeye Union companies.

Assets of Buckeye Union Casualty totaled \$3,347,466, on June 30, as compared with \$3,001,663 on Dec. 31, 1940, an increase of more than \$345,000. Surplus to policyholders increased \$76,276, totaling \$818,348 in addition to a voluntary market fluctuation reserve of \$100,000. Market values would increase assets to \$3,439,197 and surplus to policyholders to \$910,079.

Buckeye Union Casualty experienced its most successful six months with total production of \$1,581,609 in premiums, a gain of 25.9 percent.

Securities owned on June 30 totaled \$2,134,952, with \$1,567,006 in government bonds. Total reserves were \$2,529,117, including unearned premiums of \$1,293,555 and the special liability reserve of \$861,546 and \$100,000 voluntary reserve.

The loss ratio of Buckeye Union Casualty continues favorable with \$528,754 being paid out on claims. It now has 975 agents in Ohio, Indiana, Kentucky, West Virginia, Pennsylvania and Michigan.

Fire Company Figures

Assets of Buckeye Union Fire increased more than \$58,000 during the first six months, totaling \$744,493 compared with \$686,403 on Dec. 31. Surplus to policyholders now totals \$439,317. Market values would increase assets to \$768,994 and surplus to policyholders to \$463,819.

Business of Buckeye Union Fire exceeded the first half of 1940 by approximately \$96,000 or 68.4 percent. Premiums totaled \$235,750.

Total investments of Buckeye Union Fire are \$575,711 with \$517,243 in government and other bonds. It has 505 agents.

Big Gains First Six Months for Employers Re

KANSAS CITY—Earned premiums for the first six months for Employers Reinsurance Corp. totaled \$4,059,723, compared with \$3,504,246 a year ago.

Surplus was \$6,451,208 on June 30, up

\$231,229 over the end of 1940. Assets increased to \$19,372,698, up \$761,328. Income from investments was \$234,432, compared with \$223,425 a year ago and \$198,811 two years ago.

Continental Casualty Has Excellent Six Months

The Continental Casualty had premiums for the first six months of \$14,516,802, increase of 11.1 percent over the corresponding period last year. Its assets as of June 30 were \$44,380,408, capital \$2,500,000 and net surplus \$9,090,444. It carries \$1,200,000 as general investment contingent reserve and \$400,000 was set up as a general contingency reserve. Its capital was recently increased from \$2,000,000 to \$2,500,000.

The largest increase in premiums was shown in the accident and health department, the six months net premiums being \$4,937,770, increase 15.8 percent over the corresponding period of last year. Auto liability premiums increased 16.7, they being \$3,456,757. Workmen's compensation premiums increased \$5,709, amounting to \$2,021,539. Liability other than auto were \$1,264,493, increase \$17,541; burglary, \$490,381, increase being \$74,282; auto property damage, \$1,030,094, increase \$138,299; other property damage and collision, \$61,369, increase \$11,651; plate glass, \$186,328, decrease \$845; steam boiler, \$49,418, decrease \$8,890; machinery \$22,044, decrease \$8,998; auto collision, \$12,490, decrease \$43,29; fidelity, \$350,103, decrease \$3,611; surety, \$634,025, increase \$53,745.

The Continental Casualty sustained an underwriting loss of \$377,229, after increasing its premium reserve more than \$1,300,000 and adding over \$1,000,000 to loss reserve. The investment income was \$400,229 net.

Larger New Amsterdam Dividend

New Amsterdam Casualty has declared a dividend of 45 cents a share payable Sept. 2 to stockholder of record Aug. 1. This compares with a dividend of 42½ cents in January and 40 cents in July, 1940.

Extra for Manufacturers Casualty

An extra of 10 cents per share, together with the usual quarterly dividend of 40 cents, will be paid by the Manufacturers Casualty of Philadelphia Aug. 15, to stock of record Aug. 1.

PERSONALS

Honoring the 38th birthday of H. P. Skoglund, president of North American Life & Casualty, Minneapolis, agents of that company pledged themselves to send in 100 rabbits' feet—each representing an "app"—in President's month for each year of President Skoglund's age. They more than kept their word, with the result that 4,780 rabbits' feet, believed to be a world's record, were hung up on a big velvet backdrop in Mr. Skoglund's office.

Mayor Millikin of Seattle, city council members and traffic enforcement officials traveled on a chartered plane to Portland as guests of J. W. Reynolds, United Pacific, president, and other officers of the Seattle Traffic & Safety Council, to make a first-hand study of Portland's successful methods in coping with metropolitan safety problems.

Everett S. Fallow, Travelers casualty actuary, was presented a traveling bag by his office associates upon completion of 35 years with the company. Mr. Fallow is a native of East Hartford and graduated from Trinity College. He is a fellow of the Casualty Actuarial Society, chairman of the committee on blanks of the Association of Casualty & Surety Executives and

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chairman of the statistical committee of the Bureau of Personal Accident & Health Underwriters.

George R. Jordan, vice-president International Travelers Assurance, Dallas, Tex., was elected president of the Lions International at the annual convention in New Orleans. He has been in the accident, health and life insurance business his entire life and was a general agent for a Texas company before being elected an officer of the International Travelers in 1933.

Miss Adele Moore, agency supervisor and secretary to J. Ives Barton, resident vice-president Maryland Casualty, Kansas City, after some 17 years in insurance has received a civil service appointment in the air corps, stationed at Jefferson Barracks, Mo.

John J. Flynn, Jr., son of J. J. Flynn, vice-president of Massachusetts Bonding, was the only student taking the casualty course of the Insurance Library Association of Boston to graduate cum laude. Mr. Flynn was also the only student in the course not in the insurance business, being employed in the trust department of the Merchants National Bank of Boston.

Charles C. McCosker, 38, claim manager for the Employers Liability at Portland, Me., died in Casco Bay near Portland harbor, when his outboard motor boat capsized. He clung to the boat for a long time, supporting a young nephew, and finally slipped into the water. He had been in the insurance business 15 years.

COMPENSATION

Stephan New York Deputy

C. J. Stephan has been appointed deputy executive director of the New York state insurance fund which writes workmen's compensation insurance.

He started with the Aetna Life and then went with the United States Fidelity & Guaranty, Metropolitan Casualty and Commercial Casualty. He was a director of the Metropolitan Casualty and secretary of it and the Commercial Casualty. He was New York City manager of the Metropolitan Casualty and had supervision over its production, underwriting, payroll auditing, inspection, claims and personnel. He is a lawyer and a director of the New York Insurance Society. He recently made an analysis of the New York motor vehicle safety responsibility act.

Line Up Arkansas Employers

LITTLE ROCK—Indicating progress in the effort to bring all eligible employers under its jurisdiction, the Arkansas compensation commission in a survey of Pulaski county, of which Little Rock is county seat, has found that 91.93 percent of them have secured contracts with approved insurers. Its report shows 3,559 employers and 1,008 with a sufficient number of employees to come under its jurisdiction.

The commission is following a schedule of hearings in cities of the state for adjustment of claims.

Two Retrospective Factors Raised

Increased loss conversion factors for two states are shown in the latest workmen's compensation manual sheets issued by the National Council on Compensation Insurance. The Indiana factor has been raised from 1.12 to 1.18 and the Oklahoma factor from 1.12 to 1.17.

Continental Bond Campaign

H. W. Lamp, underwriter for the surety department of Continental Casualty, has inaugurated a special campaign on fidelity bonds for the slack summer season. A special mailing piece stressing the blanket fidelity bond as the "streamliner" of dishonesty insurance has been gotten out by the company.

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INSURANCE NEWS BY SECTIONS

MIDDLE WESTERN STATES

Today's Job Analyzed for Agents at Wis. School

MADISON, WIS.—Because of world conditions and the U. S. defense program it is important for every agent to restudy and re-evaluate his business, his market and his competition, stressed Ray C. Dreher, production manager of Boston and Old Colony, in his talk, "Planning for Profit," at the fire and casualty 1941 short course here. The school is being held under the auspices of the Wisconsin Association of Insurance Agents and the school of commerce at the University of Wisconsin, July 28-Aug. 2.

"If you were a business man who had just moved his plant to a community, where would you buy your insurance? From your agency?" Mr. Dreher said that answering this question squarely and acting on the conclusions was the first step in planning for more profits.

Other steps recommended were soliciting the most profitable groups in the community, using the advertising program which has the best chance of reaching these people with enough force to cause action, and linking sales methods and general business plans with the advertising. Closely related in importance, he said, is conducting a "lost" customer survey, and studying ways and means of keeping present customers sold.

To Investigate Detroit Rates

DETROIT.—A complete study of Detroit's residence fire insurance rates has been ordered by Governor Van Wagner and a preliminary survey is being made by Commissioner Berry. The commissioner informed the governor that he has been in conference with the Detroit board of fire commissioners and is expected to have an analysis of the city's fire loss soon. The governor is of the opinion that rates on Detroit residence property especially are too high.

Liquidation Contract Voided

LINCOLN, NEB.—The state supreme court turned down the \$15,000 claim of M. Witzenburg, one of two agents named in 1932 by Insurance Director Herdman to wind up the affairs of the Lincoln Hail, an assessment company. The court held that the fact that Herdman directed him to use for expenses money in the loss fund of the association and contracted to hold him harmless does not relieve him of per-

sonal liability. The contract Herdman made to hold him harmless is held to be void and not binding on the state, which does not underwrite expenses and compensation of its agents under such circumstances. Witzenburg had previously been compelled to reimburse the policyholders out of his personal funds, in another lawsuit.

Firemen Hear Defense Speakers

WAUSAU, WIS.—At the annual meeting of the Wisconsin Fire Chiefs Association, J. B. Wilkinson, Milwaukee, chief engineer Fire Insurance Rating Bureau, discussed the classification of cities for fire insurance purposes. Handling gases frequently encountered by firemen was discussed by Dr. E. G. Meier, industrial hygiene division Employers Mutuals; safe handling and storage of flammable liquids and liquefied gases by G. S. Kessler, fire prevention supervisor Wisconsin industrial commission; handling of incendiary bombs by L. W. Schafer, U. S. bureau of mines. Chief Bryant, West Allis, and Fred Bedard, Chicago, National Board of Fire Underwriters, discussed coordinated fire protection training in handling explosives and other highly incendiary materials and cooperation with industrial plant fire departments as part of the national defense program.

Minnesota Membership Over 700

MINNEAPOLIS — Membership in the Minnesota Association of Insurance Agents has crossed the 700 mark for the first time in its history, Frank S. Preston, executive secretary, announced this week. This has been achieved through a regional membership campaign carried on under the direction of Brad Strom of Worthington. Leaders in the drive were Clarence Hunt, Fergus Falls district, who turned in 20 new members; George Odell, Montevideo, with 14; Mr. Strom, 13, and Joseph Roach, Robbinsdale, 8. Total number of new members is 70.

Reverberations on Prison Contract

ST. PAUL—Reverberations still are being heard over the award of the state prison industries insurance contract, amounting to upwards of \$1,000,000. S. C. Aldridge, manager of the Ramsey County Insurance Agency, has protested the award on the ground that he had the lowest bid, yet did not get the business, which went to the Krog agency of Stillwater. The explanation given Mr. Aldridge for not awarding him the contract was that his proposal was "not complete." It has been intimated, however, that one of the companies in which Mr. Aldridge proposed to place the business was not acceptable to the state although the company is licensed in Minnesota.

Deputy Fire Marshal Relieved

Henry Mockenhaupt, deputy state fire marshal, who has been with the Nebraska department for 13 years, has been relieved of duty. Andrew Carter, York county sheriff for 12 years, has been named in his place.

Minn. Won't License Minors

ST. PAUL.—Pointing out that minors possess a limited contractual capacity, Commissioner Johnson of Minnesota has ruled that hereafter agents' licenses will not be issued to minors. In the absence of other objections, however, they will be licensed as solicitors on proper application.

It is believed this ruling will affect life and accident and health business mostly, although there may be some

minors who operate as agents in the fire and casualty field.

Then Commissioner Johnson held that no Minnesota agent's or solicitor's license is needed to solicit insurance from members of the military or naval forces of the United States within the confines of any federal military or naval station in this state.

Wagner Takes Heckle Agency

CINCINNATI—C. W. Wagner has taken over the business of the C. J. Heckle agency and will operate his agency from the old quarters of the Heckle agency in the First National Bank building. Mr. Wagner entered the local agency business in 1922. He is retaining all of the companies in both

agencies. Mr. Wagner is a nephew of Mr. Heckle, who died in March.

NEWS BRIEFS

The annual outing of the Insurance Women of Milwaukee was held July 29, at Hubbard Lodge in the north shore village of Shorewood.

C. H. Greenwald, manager of Purmort Brothers Agency, Van Wert, O., has been named president of the Van Wert County Y. M. C. A.

The R. L. Willis & Co. agency, Kansas City, has purchased the business of the V. F. Boor agency.

The E. F. Strain agency, Gregory, S. D., has been sold to the Northwest Security National Bank. Mr. Strain is now grand secretary of the Masonic lodges of South Dakota with headquarters at Sioux Falls.

IN THE SOUTHERN STATES

Dana Johnson Opens New General Agency in South

JACKSONVILLE, FLA.—After 13 years in the insurance business, the last 11 with W. H. McGee & Co., nationally known marine underwriters, E. Dana Johnson of Atlanta has established his general agency in Jacksonville, Fla. It is his belief that when World War II is ended a great amount of rebuilding of destroyed properties in involved countries will fall upon industries in this country. As a result, a great many of the industries in the south should show improved economic conditions for several years after the war. This increase would naturally be reflected in the activity of the port facilities of the southern states. In an interview Mr. Johnson stated: "The extensive amount of new building and relocation of many industries formerly situated in the north offers southern business men substantial opportunities for increased business. As such increase occurs it is only reasonable to suppose that the insurance business will share in that growth. Many southern ports strategically located with reference to Pan-American countries are already showing greatly increased tonnage in exports and imports between these countries."



E. D. Johnson

Educational Lectures

Mr. Johnson is well known through his educational lectures and has appeared as an insurance instructor at the University of North Carolina, University of Georgia, University of Florida, Louisiana State University and the University of Indiana. He has also appeared on many state insurance association programs and has written numerous articles for publication in insurance magazines. He was educated at Birmingham Southern and Northwestern Universities and has been widely known throughout the southeastern states for many years, having been assistant secretary and manager of the Atlanta office of McGee & Co.

Among the companies which Mr. Johnson will represent are some of those belonging to the Home of New York group, Corroon & Reynolds, Appleton & Cox and Royal-Liverpool.

While Mr. Johnson will specialize in

inland and ocean marine he will continue to underwrite all types of fire and allied property insurance lines. Aside from his main office in Jacksonville he has established special offices in Atlanta and Charlotte, N. C., from which traveling representatives will assist in servicing the territory.

Cotton Crop Cover Plans Announced

BIRMINGHAM, ALA.—So that cotton crop insurance will be available to southern farmers next year, machinery for applying for the insurance is being perfected by the Federal Crop Insurance Corporation in Washington, A. W. Jones, Alabama AAA administrator, has announced.

Details will be worked out in sufficient time so that all growers in cotton-producing states can apply for insurance on their next year's crop before seeding. Growers will be able to insure 50 percent or 75 percent of their average yield, Mr. Jones explained. The insurance will protect them from all unavoidable hazards such as drought, insects, including boll weevils, floods, plant diseases, wind, fire and hail.

Guaranteed yields will be figured in terms of pounds of lint cotton, as will premiums. Premiums will be based on the crop-loss history of individual farms, adjusted to reflect the crop loss experience of the individual counties. Both yields and crop loss average will be figured on the basis of historical or appraised productivity over a period of years.

Premiums for individual growers also will be figured on a lint cotton basis, although payment of premiums will be made with a commodity note. All applicants for cotton crop insurance will sign a commodity note guaranteeing to pay their premiums on or before the date of maturity. This maturity date will approximate the time that cotton generally is picked in each state or about the time that indemnities usually are paid.

Payment of the note may be made in either cotton or the cash equivalent on or before maturity. If the note is not paid when it matures, the amount of the premium will be deducted from the indemnity paid the growers, if any, or from the first government payment he receives, such as a cotton loan, parity payment or AAA payment.

Texas Agents' 1942 Meeting to Be Held in San Antonio

DALLAS—The 1942 annual meeting of the Texas Association of Insurance Agents will be held in San Antonio, May 21-23, according to the announcement made by President Eric C. Gambrell,

Expert Is Added to Milwaukee Organization

The Roberts Company of Milwaukee and the General Accident have made an addition to their staff, Arthur A. Wess. He has had fine experience as a rating engineer, having in the past 20 years been associated with the Chicago Board, Western Sprinklered Risk Association, Johnson & Higgins, and more recently with the Wisconsin Inspection Bureau in Milwaukee. He spent two years with Strauss, Lukes, Zahn Company, insurance counsellors. Mr. Wess will give time to all divisions of agency activities. His chief efforts, however, will be directed to fire insurance engineering service.



A. A. Wess

Dallas, has announced the Gunter Hotel will be headquarters. Secretary F. F. Ludolph of the San Antonio Insurance Exchange already is making plans for the entertainment and education of the Texas agents. Vice-president Willard Brown, Corpus Christi, is actively assisting in the preparation for the convention which has been attracting more than 800 delegates the past few years.

Secretary D. G. Foreman, Fort Worth, says the Texas association was 100 percent successful at the recent legislative session in preventing passage of all bills actively opposed and in passing all bills supported. It did not oppose the passage of H. B. 1073, with reference to the war department's emergency insurance rating plan, but did object to that portion which would practically eliminate the insurance agent and make it possible for a non-agent to service certain risks.

Mississippi School Attended by 200

JACKSON, MISS.—More than 200 agents and employees from all sections of the state attended the annual insurance school here sponsored by the Mississippi Association of Insurance Agents and supervised by the school of commerce and business administration of the University of Mississippi. Dean J. W. Bell was in charge.

Agents were greeted by Theodore Hardy, Vicksburg, president Mississippi association, and Commissioner Williams. The feature speaker was A. B. Butts, chancellor University of Mississippi, on "Insurance as a Part of our National Economy."

Attendance was considerably less than last year, but the interest and attention shown made up in quality what was lacking in quantity. As an indication of the strictness of the scholastic requirements this year, out of more than 100 taking the examination only 56 diplomas were awarded.

The three day school was conducted in two sections, a day and a half being devoted to fire insurance and the remaining day and a half to casualty lines. Following the sessions the faculty members were placed on the rostrum and the students given an opportunity to ask any questions they desired.

A silver dollar was given each student asking a question which stumped a faculty member. The teachers did such an excellent job that few dollars were given out.

President Hardy presented Federal's scholarship cup to D. B. Taylor, Vicksburg, for the highest average in the course. Jack Robertson, manager W. A. Sullivan & Company, Jackson, with an equally high average, was awarded a fountain pen desk set. H. C. Roberts, Canton, won second prize and was awarded the Fidelity & Deposit cup, while the runner-up in the fieldmen's class was J. S. Havis, New Orleans. Mrs. Annie L. Raines, Columbus, and R. D. Kent, Sunflower, also received recognition for high scholastic averages.

Hold Ark. School Aug. 4-8; Notable Speakers Listed

FAYETTEVILLE, ARK.—An attendance of 200 is expected here Aug. 4-8 for the second Arkansas fire and casualty school offered by the University of Arkansas in cooperation with the Arkansas Association of Insurance Agents, Arkansas Casualty & Surety Association and the Arkansas Field Men's Club.

D. W. Peel, chairman, and W. J. Smith, member of the state compensation commission, will lead forum discussions of the workmen's compensation act.

Speakers include Dr. A. M. Harding, president of the university; Van Howell, Fayetteville, president Arkansas Association of Insurance Agents; Felix Hargrett, assistant secretary Home; Ben S. McKeel, General Cover Depart-

ment, New York; Luther Mackall, National Surety; T. Cushman Foster, Hartford Accident; Stewart Davey, National Automobile Underwriters Association, Lawrence A. Gouldman, Little Rock, former president National Association Independent Insurance Adjusters, and L. F. Hawley, Chicago manager Newhouse & Sayre.

Mauney Agency Superintendent

The Southern Fire & Marine of Atlanta has appointed Edwin W. Mauney agency superintendent. He has been

for a number of years an underwriter in the southern department of the Continental in Atlanta.

Sam Perry of the Perry, Rosamond & Etheridge agency, Birmingham, Ala., won the amateur championship of the Alabama Golf Association the third time. This also makes his third golf championship won this year. He won the Alabama open championship in May and the southern amateur in June.

Fred R. Haeuser, for many years a solicitor in New Orleans, has opened a local agency at 308 Camp street.

PACIFIC COAST AND MOUNTAIN

Oregon Local Agents Program Announced

The annual convention program of the Oregon Association of Insurance Agents to be held at the Multnomah Hotel at Portland has been announced. The Portland Association of Insurance Agents will be the official host. The program is as follows:

Thursday Morning, Aug. 14

Call to order, Mark Goldy, Medford, president. Address of welcome, E. Don Ross, president Portland Chamber of Commerce. Greetings from field men, John E. Meeke, president Oregon Division Special Agents Association. Message from the National Association of Insurance Agents, Fred A. Moreton, Salt Lake City, member executive committee.

"The National Board and National Defense," Jay W. Stevens, San Francisco, bureau of fire prevention, National Board. "Compulsory Automobile Liability Insurance and Financial Responsibility Laws," E. C. Stone, United States manager Employers Liability.

Announcement by R. J. Larrabee, field engineer Underwriters Laboratories, regarding field laboratory on display in Imperial Garage.

Thursday Afternoon

Ladies luncheon, Oswego Lake Country Club.

Golf tournament, Oswego Lake Country Club, Claude Nasburg, chairman.

Boat trip, Oswego Lake, compliments Portland Association of Insurance Agents.

Cocktail hour, Oswego Country Club. Past presidents dinner, Mark A. Goldy, host.

Friday Morning Session

Harry Hollister, Portland, chairman executive committee, presiding.

"The Part the Insurance Interests Are Playing in National Defense," Seth B. Thompson, insurance commissioner of Oregon.

"Producer's Problems," Herbert Semmelmeier, San Francisco, manager of public relations, Pacific Board.

"Relationship Between Agency and Company Groups," A. V. Holman, assistant secretary, America Fore, vice-chairman Oregon Conference Committee, San Francisco.

"Case Histories in Agency Advertising," H. H. Kirschner, insurance advertising, San Francisco.

"What Accident Insurance Means to the Local Agent," J. H. Casenave, superintendent personal accident department Hartford Accident, San Francisco.

Sound Film, "Say it in English," K. V. Lively, Bates, Lively & Pearson, general agents, Aetna Casualty. Announcements.

Friday Afternoon Session

Panel Discussion, "Adjusting Losses Before and After They Occur," John T. Breckon, Business Development Office, San Francisco, discussion leader, assisted by Chester Noonan, Astoria, Ore., agent; Owen Beam, Albany, Ore., agent; Keith Rhodes, special agent Home; M. S. Farrell, special agent Pacific National Fire, and Frank Wright, manager Fire Companies Adjustment Bureau, Portland.

"The Stock Company Association—Its Purpose and Procedure," S. R. Altken, San Francisco, district manager.

Closed Meeting—Members Only

Report of administration, Mark A. Goldy, president.

Report of executive secretary and com-

mittee reports. Remarks, Fred A. Moreton. Election of officers.

Friday Evening

Cocktail hour, host, Oregon division Special Agents Association of the Pacific Northwest.

Dinner dance, chairman, Hunt Lewis, Jr.; toastmaster, Geo. W. Haerle. Introduction of distinguished guests. Awarding of golf prizes. Installation of officers.

Howard Vallentyne is retiring as executive secretary of the Oregon association. Frank S. Glover is his successor, and will be in charge of the registration and details.

Los Angeles Exchange Rules Agents Must Write Policies

LOS ANGELES—The Los Angeles Insurance Exchange has notified its agent members that all full agency members will be required to write their own policies, and make regular reports to the company branch office or general agency.

This action was determined by the governing committee recently to comply with the by-laws.

The exchange has hired a policy writer to teach the agents, who heretofore have not written their policies, and their employees all phases of policy writing, forms and cancellations.

This change in method does not affect in any way the agreement between the exchange and the Pacific Board relative to San Francisco brokers writing business in Los Angeles where they do not maintain an office here, nor the exchange members writing business in San Francisco where they do not maintain an office there.

Nor does this alter in any manner that part of the agreement whereby agents in Kern, Santa Barbara, San Diego, Ventura, Riverside, Orange and Imperial counties, who write business in Los Angeles, have policies approved by the exchange and collect full commissions thereon.

California Hay Rate Revised

LOS ANGELES—The farm committee of the Southern California Fire Underwriters Association in cooperation with the similar committee of the California Association of Insurance Agents, after two years hard work and conferences with the Pacific Board of Fire Underwriters, has succeeded in having the latter make a revision on the hay rate. The new rates now have been promulgated.

Directors of the association had an all day conference with Manager S. L. Carpenter, Jr., of the Pacific Board on matters relating to rates and rules.

Lawson to Commercial Union

Spencer Lawson has joined the Commercial Union group in Los Angeles in charge of the special risk and survey department. For the past five years he has been with Pacific National Fire.

Hoffman with North America

Dale Hoffman has been named to the Los Angeles service office of the North America for special fire survey, rate and engineering work. This appointment gives the company four representatives

in southern California for full-time fire service activities—three in the field and Mr. Hoffman in the office.

Howard Vallentyne Resigns

H. J. Vallentyne, Portland, Ore., executive secretary of the Oregon Association of Insurance Agents and Portland Association of Insurance Agents, has resigned as of Aug. 15. He has accepted a position in Seattle to be announced Sept. 1. He is succeeded in his secretarial position by Frank S. Grover, formerly connected with the Fire Association and National of Hartford.

Rozzano Is Promoted

Dan Rozzano has been promoted to superintendent of the San Francisco fire department of the Firemen's group, succeeding John Martin, resigned, according to Fred W. Sullivan, vice-president. Mr. Rozzano has been with the organization for 14 years.

Gregg Joins Brown & Sons

SEATTLE—H. D. Gregg, for the past eight years with the Washington General Agency, is joining Edward Brown & Sons as field man for marine and Lloyds coverages in Seattle. He succeeds J. J. O'Brien, resigned.

Utah Agents Meet Sept. 29-30

The Utah Fire & Casualty Association will hold its annual meeting in Salt Lake City, Sept. 29-30. The headquarters hotel has not yet been selected.

Donald Mushet has joined the adjusting firm of Hart W. Reeves Co., Los Angeles. He had been with Pacific National Fire in the claims department for several years and before that with Standard of New York.

Harold Smethurst, special agent Travelers Fire, spoke before the Orange County Agents Association at Laguna Beach, Cal., under the auspices of the speakers bureau of the Southern California Fire Underwriters Association, on "What of the Premium Dollar?"

EAST

Qualification Bill Signed by Governor of Massachusetts

BOSTON—Part time agents and brokers of Massachusetts who represent merely business they control through family or employment connections will be eliminated under the new qualification bill signed by Governor Saltonstall.

The bill provides that "not more than 10 percent of an agent's or broker's net commissions may come from business which he controls through his or his wife's ownership, or from firms in which he or his wife is a member, or from his employees or his employers." The 10 percent limit applies to business from all these sources together, not individually.

The bill was largely the result of the efforts of President Harry E. Moore of the Insurance Brokers Association of Massachusetts, working in cooperation with Commissioner Harrington.

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not more than 10 percent of the firm's aggregate net commissions may come from the property or risks of its members and owners and their spouses; associations in which they or their spouses are members, and corporations in which the applicant firm members, owners and their spouses individually or in the aggregate own more than 50 percent of the stock, and subsidiaries or affiliates of such corporations.

Non-Assessable Mutual Policy Bill Is Revived

BOSTON—Supporters of the Massachusetts bill to permit fire and casualty mutual companies to issue non-assessable policies won a distinct advantage when the house voted, by 129 to 23, to overturn the report of the insurance committee, which had recommended the bill be referred to a special recess committee for further study, and submitted the original bill, which was given its first, second and third reading in the house.

The bill substituted provides that any mutual fire or casualty company which has and maintains a surplus to policyholders, including any guaranty capital or guaranty fund at least equal to the minimum paid up capital and assets now required by the Massachusetts law of a stock company transacting the same kind or kinds of business, may issue non-assessable policies and the contingent liability shall not apply to any such non-assessable policies. Any such mutual fire or casualty company shall keep on deposit with the state treasurer the sum of \$200,000.

Further New England Changes

BOSTON—In addition to the changes reported last week, which authorized single state reporting forms at a single location and removed the additional charge for demolition insurance on fireproof buildings, the New England Fire Insurance Rating Association made a number of other changes in its manual revision. Seasonal hotel properties under full public fire protection have been made eligible for term rating. Improvements and betterments insurance may now be written under a clause stating that the company agrees to consider the assured as the sole owner of the improvements.

The agreed amount of insurance clause may be used on properties owned by municipalities or public housing authorities, if the property is built, managed and insured under the requirements of the United States Housing Authority. The rule for pro rata reduction of insurance no longer applies to floater policies.

R. I. Staff Additions Requested

PROVIDENCE—In his annual report Commissioner Morin of Rhode Island requests that his department be provided with the services of an actuary, which it now lacks, and one additional qualified examiner.

CANADIAN

Drop Western Canada Bulletin

WINNIPEG, MAN.—With the issue of the July edition of the "Agents Insurance Bulletin," published by the Western Canada Insurance Underwriters Association, it is announced that the bulletin is to suspend publication. The "Board Advocate," published by the Dominion Board, will take the place of the bulletins issued by local associations, and agents will henceforth be sent the Dominion Board's publication.

The Manitoba Blue Goose held its annual golf tournament at Pine Ridge Golf Course, Winnipeg. Most Loyal Gander Hugh Ham had low net score and Alec Welsh low gross. Following the tournament there was a banquet at the club.

MARINE INSURANCE NEWS

Formulate Rules on Overseas Cover

A plan for negotiating marine insurance on overseas markets to avoid giving valuable information to the enemy has been drafted by the Insurance Brokers Association of New York in cooperation with the Department of Justice. C. O. Pate, association president, urged adoption by marine brokers of a number of rules for conducting this business. He suggested:

No marine insurance risks be effected on the continent or the Far East; no radio or wireless be used overseas but only cables to Great Britain; exact sailing date not to be given in the same message with other particulars of risk such as name of steamer, voyage, character of cargo, but if necessary in a separate cable that could not be associated by third parties with the original; in dispatching written confirmation either by letter or provisional application, exact sailing date not be shown, but if necessary indicated as June (July, etc.) sailing; in sending closing particulars if possible avoid dispatch until after vessel has sailed and in no event show exact sailing date on closing slip or final application, but if necessary to mention sailing date only month in which vessel sailed.

The rules were formulated in a conference between the Department of Justice and the marine insurance committee of the brokers association, of which C. L. Despard is chairman, and are to apply in New York City and also to all marine insurance brokers of the National Association of Insurance Brokers. All members of both associations were advised of the action. The Department of Justice will be supplied a list of members of the organization who write marine insurance and each brokerage office was asked to signify its intention to abide by the rules.

National Reserve Is Entering Inland Marine Field

Secretary B. J. Oswald of the Dubuque F. & M., and National Reserve announces this week that the latter company is entering the inland marine field, as is the Reserve Underwriters. The department will be operated in conjunction with the Dubuque F. & M., which has been an inland marine underwriter since 1936 and has gradually increased its premium income.

The nation-wide underwriting operations for the National Reserve and Reserve Underwriters marine department will be under Paul W. Oliver as manager, located in the Insurance Exchange, Chicago, who maintains a similar office for the Dubuque. Mr. Oliver has been very successful in building up the Dubuque F. & M. along inland marine lines. He has been connected with it since 1936.

Mr. Oliver got his inland marine experience with the Marine Insurance Office in New York City, its home office, and then was sent to its New Orleans department.

There has been a demand from agents of the National Reserve for inland marine facilities. The Dubuque F. & M. group now writes all inland marine classes including registered mail and motor truck cargo. The same policy has been followed in the inland marine department as the Dubuque Fire & Marine program has always laid down for its general business. It is a substantial company that has never plunged. It is conservative in its management but is steady going. It is very close to its agents and offers them many services.

Manhattan F. & M. School

NEW YORK—Special agents from ten New England and middle Atlantic

states have been called into the New York office by the Manhattan Fire & Marine this week for an intensive three-day inland marine school.

The school, under the direction of K. J. Bidwell, inland marine manager, is the first of three similar projects to be staged throughout the country. Cincinnati will be the site of the second round-up next week, with a school in Chicago two weeks hence winding up the series. Vice-president C. D. Sheffe is expected to preside at all three meetings.

Adopt Warranty Provision

NEW YORK—Marine underwriters here announce the adoption of a warranty provision excluding the interests of any person or company appearing on the so-called blacklist, recently promulgated from Washington. It excludes from coverage the interest of any person, concern, partnership or association whose name appears in any proclaimed list of blocked nationals.

MOTOR

Tennessee to License Auto Dealer Agents

NASHVILLE — Commissioner McCormack has announced that limited or sub-agent's licenses will be issued to automobile dealers permitting them to write automobile fire, theft and collision, tourist baggage and travel accident insurance. Commissioner McCormack states that this does not represent a change of policy, although heretofore this form of license has been issued only to finance companies or their representatives. Local agents say that the commissioner's action will add about 250 more agents with opportunity to collect 20 to 25 percent commission on each policy written.

The applicant must name the policy-writing agent to whom he is to be a sub-agent and must list any agent or agents with whom he shares commissions or compensations. The limited certificate of authority issued forbids the sub-agent to solicit or write renewals on business produced while holding this license and he cannot write a policy on his own personal property.

Orville Davies, vice-president of Motors Insurance Corporation, was in Nashville to look after the interests of automobile dealers and it is believed that Motors Insurance will take over all G. M. A. C. risks in the state formerly handled by General Exchange, which has probably 15 or 20 plants in Tennessee.

Commissioner McCormack has instructed Ed King, licensing division manager, to carefully investigate every application, particularly verifying the applicant's occupation. One of three business references required in the application must be in the fire and indemnity insurance business and a responsible local citizen, which affords the local agent some protection against unqualified sub-agents.

New Auto Rate Manuals in Two States; W. Va. Revision

NEW YORK—Revised rate manuals prepared by the National Automobile

All Classes of Ocean and Inland Marine Insurance

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Underwriters Association became effective in Illinois and Oklahoma July 28, following approval by those departments. The new Illinois manual covers the entire state, replacing the two volumes heretofore used, one covering Chicago and Cook county, and the other the rest of the state.

The West Virginia manual is being revised to include a finance business section with the rules for writing such risks. Companies have been advised that while use of the standard automobile policy prescribed by the West Virginia department is optional until Jan. 1, 1942, its use after that date is mandatory. Companies are required to make individual filings with the department of their policies and endorsements. Limitation of use endorsement is not permitted in West Virginia.

Compulsory P. L. on All Planes Urged

(CONTINUED FROM PAGE 11)

show that they were adhering to the "highest standards" of safety and that the accident was due to an act of God or other circumstances beyond the operators' control.

Offers Simpler Alternative

Recognizing the possible difficulty of getting such a program through Congress because of questions as to the government's constitutional power to fix top liability limits in many of the categories mentioned, Mr. Sweeney offers an alternative proposal which would, like his first plan, require the carrying of liability insurance but which would not attempt to limit the operator's liability. The alternative plan would follow the original proposal's principle in requiring no proof of fault in claims involving property damage or public liability but the claimant would have to agree to be bound by the limits of the award in return for not having to prove negligence.

As Mr. Sweeney points out, this plan would not give the operators the protection of his first plan, since claimants could sue under common law rules if they felt they could get more that way, but the alternative plan would take care of the large majority of cases and would compensate luckless members of the public who might be killed or injured or suffer damage to their property through aviation accidents. This plan specifies a somewhat lower scale of maximum amounts recoverable.

Main Points of Plan Given

Following are the main features of the first plan, which involves a maximum statutory liability scale: death, whether the person is a passenger or on the ground, minimum, \$2,500; maximum, \$15,000, though a \$20,000 maximum is suggested as an alternative.

Non-fatal injuries, whether to passengers or persons on ground: medical reimbursement for medical care, etc., up to \$3,000; payment of specified amounts for dismemberments and/or loss of eyesight; weekly compensation during complete or partial loss of earning power, \$10 to \$40 a week, depending on earn-

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ing capacity and number of dependents. Overall limit per accident: no limit on revenue passengers other than the maximum individual limit times the number of passengers; for persons other than passengers, \$50,000 for light planes ranging up to \$250,000 for largest ships. Proration of individual claims where total exceeds overall maximum.

Property damage, including damage to equipment of other operators: value of property up to maximum of \$25,000 for light planes and \$125,000 for machines in the heaviest category. Proration of individual claims where total exceeds overall maximum.

Aim Is Protection of Public

No insurance would be required on guest passengers, personal effects, baggage or goods shipped, the main aim of the compulsory insurance requirement being the protection of the public. Insurance would be broad enough to cover common law liability where claimants in cases outside federal jurisdiction elected to sue under common law rules.

Main features of the alternative proposal, which would set no limits on maximum liability: insurance required would be of the "admitted liability" type, under which no proof of negligence or fault would be needed for recovery; insurance would cover revenue passengers, persons and property on the ground, or others, as the federal agency might determine. In all cases the claimant would have the alternative of suing under common law for an unlimited amount of damages but would have to prove negligence.

Scale of Limits Is Lower

Top limit for death, \$10,000; for non-fatal injuries, maximum of \$20,000 per person, made up of medical, etc., expenses up to \$3,000, specified amounts for dismemberment and/or loss of eyesight, and compensation payments not to exceed \$20 a week during complete loss of earning power.

For both fatal and non-fatal injuries to persons on the ground, an overall limit, with appropriate proration provision, of from \$25,000 to \$125,000, depending on weight of plane. Property damage, on the ground, actual loss or damage but not to exceed \$25,000 to \$125,000, depending on weight of plane.

Urges Higher Accident Limits

The report also recommends that aviation underwriters make available personal accident trip insurance for amounts up to \$25,000 rather than the present \$5,000 limit for death and dismemberment coverage. The safety record of the scheduled air carriers is believed to justify the increased limit at very low cost provided a sufficient volume of business can be stimulated to lessen the catastrophe character of writing individual policies with high limits, the report states.

In view of Congress's preoccupation with defense problems it is not believed likely that there will be any immediate action on the Sweeney recommendations in the very near future and even if they are eventually enacted there is considerable chance that they will be greatly modified before passage.

Percentage Now Insured Unknown

Outside of the scheduled airlines, where public and passenger liability insurance is carried by all operators, there is almost as much uncertainty as to the percentage of planes insured for these coverages as there is in the automobile field. The typical flying service operator, with perhaps a Stinson for carrying passengers and two or three Taylor Cubs for pilots to rent, usually did not carry liability coverage before the opening of the civilian pilot training program. Insurance is required on all planes used in the program and it has made operators much more insurance conscious. Flying services paid \$149,597 last year in public liability premiums. While this was almost exactly double the 1939 figure, there are still many operators who are uninsured for

liability. The P.D. premium total was \$142,005 last year as against \$59,960 in 1939 for this class of operators.

In the private plane field a large percentage of flyers forego liability insurance, except the wealthy owners of fast, heavy ships, who, in addition to philanthropic motives, know that a bad accident might wipe out a large part of their fortunes. At the same time, such an owner may not bother to carry hull coverage, knowing that the maximum loss will not exceed the value of the ship.

Small Owners Uninsured

The owner of a small private plane, however, usually carries hull coverage, as the \$2,000 or so the plane represents looms large and he wants to be sure he could buy another plane if it burned or were otherwise destroyed. As to liability insurance his attitude is likely to be that if he has a crash serious enough to cause much of a loss he will probably be killed and won't have to worry about claims.

Private pleasure risks paid \$52,000 in public liability premiums last year and \$53,000 the previous year. They paid \$42,000 in property damage premiums last year and \$38,500 in 1939.

Aviation underwriters, commercial airlines, and other organizations interested in the proposed legislation have been sent copies of the report and have been asked to submit criticisms or suggestions before October 15 so that the civil aeronautics board can have the views of all parties concerned before it decides what recommendations it will make.

Sharp Increase Noted in Industrial Accidents

(CONTINUED FROM PAGE 11)

icals that cause skin and other types of poisoning. Examples are spray painting, red lead, drill presses, radium for instrument panels in airplanes, etc. Operation in three shifts has its effects. Accident experience is definitely higher at night, production lower.

Speed is probably the most significant element in the situation and one which will bear the closest and most constant scrutiny. With the government calling for the saving of every possible hour in production, from construction on through to the finished product, and with non-defense business and industry not far behind in their pressure for speed, the velocity of accidents is liable to get out of hand. Only through stern safety measures can control be maintained, it is believed. An illustration of what speed will do to loss experience is shown in the figures of a company whose general business for the year was 95 compensable accidents in 1,752,000 man hours, a frequency rate of 54.2, except for one job on which the government called for a shortening of contract time by a number of weeks. The compensable cases here were 118 in 989,000 man hours for a frequency rate of 119.2, and the frequency rate for the company's entire operations shot up to more than 75.

Yet underwriters are optimistic. Experience during the world war was good. The substantially boosted premium volume today led insurance men to believe that companies can continue to show a good profit in the field, especially as new workers in defense industries become seasoned.

Direct Reading Rate Finder & Calculator for calculating earned and return insurance premiums \$2. Order from National Underwriter.



Committee Approves N. H. Type Auto Law

(CONTINUED FROM PAGE 12)

panies for some time. Both surplus and capital are large in comparison with liability.

He believes insurance laws should and will be revised to permit one corporation to write all classes of business except life. This will simplify the business and save money.

Some Companies Overextended

The rate of growth in the casualty and surety field is very rapid and will continue for some time, he said. Some of the smaller companies definitely are transacting too much business in proportion to their net resources, and a number of them may be forced out of business through this overextension.

Mr. Best pointed out that fire and casualty companies had excellent results during the world war, and they continued to progress right through the post-war slump except for a slight underwriting loss for fire companies in 1922. Unless there is a complete economic crack-up all insurance companies should have about the same experience during and immediately after the present war.

John T. Hume, superintendent of claims of Indiana Insurance Company, in his discussion of "The Relations of the Home Office Legal Department with Their Local Counsel," recom-

mended that such counsel should be given as much leeway as possible in the conduct of the case, inasmuch as the local lawyer knows local conditions and understands the psychology of his particular community.

President's Talk

President H. Beale Rollins told the association that it should consider the question of not holding meetings until after the present national emergency. He suggested as a possible substitution that members in their respective district hold meetings and also that one or more papers be written each month which could be published and be sent to members. Secretary-treasurer John A. Millener in his annual report stated that despite the emergency which has disrupted business conditions and is depleting the ranks of practicing lawyers there has been a slight gain in membership of the federation. There are now 304 members on the roll. His financial report showed a satisfactory cash balance on hand.

R. R. Stimson, Huntingburg, Ind., revisor and author of Indiana aeronautical code, spoke on some aspects of aeronautical law.

Indemnity insurance was the subject of an interesting paper by Charles P. Dauch, Buffalo. He stated that lawyers' indemnity insurance is not written in the U. S. and that Lloyds are the only ones to write this line. He argued that such insurance should be as freely written as policies covering the medical profession.

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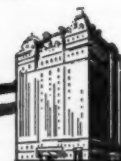
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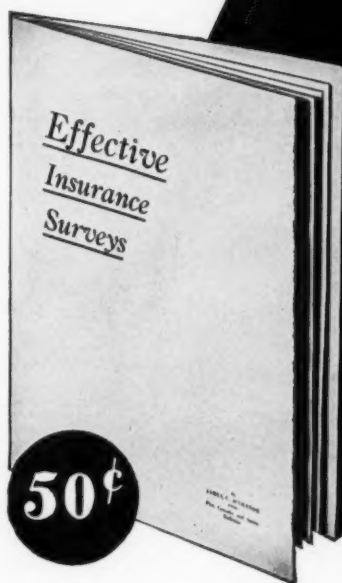
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—Edward T. Pike, Kansas City, Mo.

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—Paul E. Rudd, State Agent, Milwaukee, Wisc.

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